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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

HEARINGS

BEFORE A

SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE
UNITED STATES SENATE
EIGHTY-SECOND CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 202

(81st Congress)

A RESOLUTION AUTHORIZING AN INVESTIGATION
OF ORGANIZED CRIME IN INTERSTATE
COMMERCE

PART 6

OHIO-KENTUCKY

JANUARY 17, 18, AND 19, AND FEBRUARY 19, 1951

Printed for the use of the Special Committee To Investigate
Organized Crime in Interstate Commerce



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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1951

Hon Estes Kefauver
Mar. 26, 1957

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN
INTERSTATE COMMERCE

ESTES KEFAUVER, Tennessee, *Chairman*

HERBERT R. O'CONOR, Maryland

CHARLES W. TOBEY, New Hampshire

LESTER C. HUNT, Wyoming

ALEXANDER WILEY, Wisconsin

RUDOLPH HALLEY, *Chief Counsel*

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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

WEDNESDAY, JANUARY 17, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Cleveland, Ohio.

The committee met, pursuant to call of the chairman, at 10:15 a. m., in room 318, Federal Building, Senator Estes Kefauver (Chairman), presiding.

Present: Senator Kefauver.

Also present: Rudolph Halley, chief counsel; Joseph L. Nellis, assistant counsel; John McCormick, investigator.

The CHAIRMAN. The committee will come to order.

I think in the beginning of our hearing in this session, in Cleveland and this area, it might be well to first state the purposes or to restate the purposes of this committee.

This committee is operating under authority of Senate Resolution 202. The purpose is to investigate organized crime in interstate commerce, to make recommendations to the United States Senate and to the Congress for amendments to laws or any new laws that might prevent or help prevent the use of the vehicle of interstate commerce in furtherance of organized Nation-wide crime that operates across State lines. The Federal jurisdiction is, of course, only in connection with interstate commerce.

It is not the province of this committee and, of course, it is manifestly not possible for the committee to endeavor or proper for the committee to try to ferret out and to go into local situations. We may be interested, but it is not in our jurisdiction to try to find out who is involved in criminal activities of purely a local nature or to try to clean them up. That is, as it should be, the province of the local enforcement officers, and it is only when the people in the local enforcement are interested that local matters can be solved; and, of course, they can be whenever the local people demand it.

I might also review what we have done to date. We have tried to have hearings and we have had many hearings in what we consider some of the nerve centers of organized crime in the United States. We do not mean by the fact that I call a city a nerve center that that particular city may be contaminated or that crime might be rampant in any particular place that we have a hearing. For instance, we are having a hearing here in Cleveland, in the State of Ohio, where your Governor has with the State enforcement officers with unusual vigilance and vigor and determination done a tremendously good job

in cleaning up matters in the State of Ohio, and where your police department and your commissioner of public safety have done an intelligent job with great determination to see that you have good law enforcement here in the city of Cleveland.

We congratulate these public officials and many others upon the splendid work they have done. They have made our task very much easier so that our appearance here in Cleveland, and in Ohio, is not to be considered as a reflection upon Ohio or the city of Cleveland or upon the good law-enforcement officers you have here, both Federal and State, who have cooperated so magnificently with Mr. Nellis and the members of our staff in preparing for this hearing; but, rather, that we do find that either now or in the past there have been people from this area who have operated in many States in violation of various laws who we believe form an important part of the network in the Nation-wide organization which we are charged with investigating.

We do ask the cooperation of witnesses and of others in trying to help us get the facts so that we can report to the Senate. The calling or not calling of any witness is not intended to be a reflection upon any person or, of course, the fact that any witness is not called who may be known to some to be involved in a local situation doesn't mean that we are giving anybody a clean bill of health.

We have endeavored to ferret out and will endeavor to present the matters that we feel are important from our viewpoint.

We have had hearings, as you know, many hearings in Washington in which Federal officials and State officials have appeared. Also in Washington we have had witnesses from various parts of the country. We have had hearings in the field, in Miami and Tampa and Philadelphia, New York, involving New York and New Jersey, and Chicago, St. Louis, Kansas City, Las Vegas, San Francisco, and Los Angeles.

Before we finish our investigation we hope to have other hearings in some of these places; and, of course, there will be witnesses from some places that will be called who have not as yet appeared before the committee for one reason or the other. The committee will then ferret out the facts and present the conclusions and the findings with our recommendations to the Senate.

The fundamental purpose of any committee of this kind is to get information upon which to make legislative recommendations, and that is our purpose here. Also, I want to make it clear that if any person's name is brought out in this hearing where they feel that they have been done an injustice, if they want to make any explanation or to repudiate or to enlarge upon anything that has been said in this hearing, we invite them to immediately get in touch with either the chairman or some member of the staff, and we will endeavor on the same day and during the same hearing period if possible to give them an opportunity of immediately being heard. It isn't our purpose to try to smear the name of anybody or to let anybody's name be used without giving them an opportunity of making an explanation.

I like to follow the procedure of first having executive hearings in which we go over the testimony of all the witnesses. Our time is running out; our engagements are many, and it is going to be difficult for us to follow that procedure in the future, although while we are here we may have some executive hearings where we are not certain about what the witness is going to testify.

We are greatly indebted to Judge Jones, the senior circuit judge, for the use of this hearing room. Also, I found that Republicans do do some things that are worth while once in a while. My colleague in the House of Representatives, Congressman Bender, has been very generous in giving us his congressional offices for the headquarters for our staff, for which we are very grateful.

Mr. Nellis and the others who have been here preparing for this hearing have reported what I have heard from many sources: that never have we received fuller cooperation or greater help from the State and Federal and local officials, the district attorney, the marshal, heads of the different bureaus, the police department, the mayor, and the Governor and his various organizations of the State of Ohio. This gives us much encouragement, and we are very grateful for the assistance we have received.

Back in the spring of last year, when this resolution under which we are operating had not even at that time been passed by the United States Senate, the distinguished Governor of your great State, Governor Lausche, came to Washington and did the chairman the honor of calling upon him to give him some encouragement on the idea of an investigation of the kind that we are having.

At that time he offered his cooperation. This was very heartening to me and to the committee, and thus it has been that the offer of cooperation, one of great encouragement and great help that we have had throughout our inquiry, has come from Governor Lausche, your chief executive of Ohio.

The chairman and the members of the committee have observed with much interest and appreciation the great effort that your Governor has made to clean up criminal situations and gambling in this State. We commended him for it.

And the same is also true of your mayor and your district attorney and your local police department here.

I know that we are signally honored today in having as our first witness a man who, as judge of the common-pleas court here in Cleveland many years ago, recognized the menace of organized and commercial criminal operations, and did something about it, later as the mayor of this great city and then the chief executive of the State of Ohio.

We are grateful, and I want to publicly express our thanks to Governor Lausche for his backing, for his suggestions, and for the help that he and all agencies of the State government have given the committee and our investigators, not only since we have been here but in other places where they have information or suggestions that would be useful.

So that we are indeed honored, Governor Lausche, to have you as our first witness, if you will come around, sir.

And, sir, it is not that we have any question about whether you or many other witnesses would tell us the truth, but it is a rule of our committee that we swear all of our witnesses.

Governor, do you solemnly swear that the testimony you shall give this committee will be the whole truth and nothing but the truth, so help you God?

Governor LAUSCHE. I do.

The CHAIRMAN. Before we start, I do want to introduce some members of our staff.

Mr. John McCormack, on the end, who has worked hard with the committee in many places, as well as here. Mr. Joe Nellis, who has headed up the preparations for this hearing, and who will have principal charge of it today, on my right.

Our chief counsel, Mr. Rudolph Halley, on my left, and Mr. Klein is here somewhere, one of our associate counsels.

We are also delighted to have Mr. Miller, the district attorney, with us, who has been so helpful, and we hope you will be here with us all during the sessions, sir.

Mr. MILLER. Thank you, sir.

TESTIMONY OF HON. FRANK J. LAUSCHE, GOVERNOR OF THE STATE OF OHIO

The CHAIRMAN. Governor Lausche, do you have a preliminary statement that you wish to make, or that you will make in connection with the matters here?

Governor LAUSCHE. Yes.

The CHAIRMAN. We would be very pleased to hear it.

Governor LAUSCHE. Senator Kefauver, Mr. Miller, Mayor Burke, and your associates who are here in Cleveland and in Ohio, in behalf of the people of Ohio, I want to express gratitude to you for coming to our State to pursue the laudible work in which you are engaged.

I am certain that Ohioans generally, and particularly Ohioans in those counties where lawless elements at times have dominated, welcome your presence here.

I personally am glad that you are in our State. I am delighted that the United States Senate created your committee for the purpose of studying and investigating the evil influences of commercialized gambling upon our Nation and upon our people.

I would like to give you a bit of the background from which my testimony stems. It begins as judge of the Municipal Court of Cleveland. A case was tried in my courtroom in which a Polish gentleman, who was engaged in the butcher business, developed the habit of going to the Harvard Club.

That was a large-scale gambling enterprise, operated in Newburgh Heights, just outside of Cleveland, prior to the year of 1941.

This man was sued for \$2,500, as I remember it, by a lawyer, who claimed that the butcher had engaged him to sue the gambling club to recover losses sustained in that gambling institution.

The suit was filed to recover the gambling losses.

The day for the trial approached, and this butcher, who lost his life savings and his two butcher shops gambling in the Harvard Club, was visited by a black, large sedan, filled with men.

They went upstairs to his house, and they said, "If you love your wife and your child, you had better not appear in that courtroom and testify in support of the petition which you filed."

He notified his lawyer, and the case was continued. It again came up for trial, but prior to that date, while he was absent, a machine again appeared at his home, and one of the men came to the wife and told her that she had better not have her husband testify in that lawsuit.

The lawsuit was dismissed, and there you have a clear presentation of the problem of the American citizen. To that Polish man, the

question came, "Were the courts more powerful than the gangsters?"

"Could he go to court and testify and have protection of his body and his family? Or should he yield to the threat of the gangsters and stay away from the court?"

Well, he yielded to the gangsters and dismissed his lawsuit. The case never came to trial. They paid him two or three hundred dollars, and he took it.

Now the strange paradox. The lawyer who filed the suit for him was engaged on a percentage basis, his compensation to come out of the amount of judgment that would be rendered in the suit to recover the losses.

The lawyer sued him for the 33 $\frac{1}{3}$ percent. He said, "I would have won that lawsuit. I would have been paid \$2,500; and, because you dismissed it, I lost that money," that is the case that came before me for hearing.

Senator Kefauver, when that case was concluded, there was only one conviction in my mind, and that is the individual who commits a crime isn't the man to fear in our society. He stands by himself, and on the spur of the moment may commit an offense, but he is not a threat and a danger.

The threat and the danger to our society and our Government is from the organized gangsters and the racketeers, I take it that those are the ones that you are primarily concerned with in making your investigation here today.

Now, let's pass into the next scene of this kaleidoscopic presentation that came to me as a public official, concerning the operation of these men in Cuyahoga County.

And I say to you that the ramifications of gambling operations, with all of their evil influences in many places in the Nation, have their root to some extent among the large operators within this State, and especially within the area where you are sitting now.

I was elected to the common-pleas bench of Cuyahoga County and in the course of events was assigned to preside in the criminal court of the common-pleas court. Within a short time after I went on that bench, I had at least a half dozen men whose cases were pending before me on pleas of guilty on charges of embezzlement and defalcation. I had to decide whether I was going to place them on parole or send them to the penitentiary.

The cases were referred to the probation department and reports made. The reports showed that they had positions of trust where they handled money. They started going to the Harvard Club, the Thomas Club, or the Ohio Villa, and they lost small sums of money. They continued going, believing they would recoup their losses; but, instead of reestablishing themselves, they got more deeply involved, and eventually the discovery was made by the employer.

One man in particular, a school superintendent, was before me, and on the day he was to be sentenced he was standing in front of me while I was on the bench, and I said that the probation report "looked bad." When I sat back there was in the rear of the room a lady who began to sob and children began to weep.

The report showed that he was married and had children, and I knew immediately that it was his family weeping in the belief that he was going to the penitentiary. And there and then I said, "What a travesty. This man I am sending to the penitentiary, but

the racketeers who have his money are free." They were defying the law. This man was their victim, and he was going to the penitentiary.

I said to myself, "No, that can't possibly be; that is not justice."

He went back to the county jail, and I called in the foreman of the grand jury and instructed him to use the fullest scope of the law to smash the places. They issued subpoenas for the mayors and the chiefs of police and the enforcement officials to appear before the grand jury to testify as to the presence of gambling in those communities. On the day they appeared to testify, the grand-jury foreman, a retired school teacher—they called him Mr. Chips—a Mr. Dakes, a very fine man, came up to me and he said, "We are up against it, Judge. The men refuse to testify unless we pay them their witness fees."

And I said, "You go down and pay them the witness fees."

Well, they testified, "We know nothing about it." That is all they said, so we were blocked.

Well, I wasn't going to be stopped by that procedure, and we continued after them. I issued search warrants for one club and another. Word would come back to me that the places were tipped between the time the search warrant was issued and the time it was served. I knew there were tip-offs, and I decided one day to call in the man who was to issue the search warrant. I had him in my private office, and I said, "Here is a search warrant for the Harvard Club." I had written there in longhand, "You are hereby commanded forthwith, immediately, and without delay to search the Harvard Club and to seize any gambling equipment that you might find there."

I said to him, "I am reading to you what I have written here; that is, 'immediately, forthwith and without delay'."

He said, "I don't have any deputy sheriffs."

I said, "Well, wait in this office until you find them."

So the deputy sheriffs came in somewhat later, and I gave them a search warrant and said, "Go right on out now and make the search."

When they started out, I had my men along the line spotting to see what would be done there; and, as we expected, the deputy sheriff stopped in the drug store en route, went to the telephone, was in there about a half hour, came out, got into his car and went on toward the Harvard Club, parked his car a block away and sat in his car for a half hour, and then went in. At first, when he went in everything was clear, but I had a man in the place who was there to find out what happened.

We charged that deputy sheriff with contempt of court, and he was tried by another judge and convicted. Those three places closed.

I pointed that out to you for the purpose of demonstrating that those men are defiant; they are challenging; they have no respect for law and order.

But while they were closed inside Cuyahoga County, there were the Mounds Club in Lake County, Pettibone Club in Geauga County, the Jungle Inn in Trumbull County, and the Colony Club on the Ohio River, a large-scale operation with slot machines, roulette, crap tables, chuck-a-luck, horse-race betting, and every type of gambling in existence, run by Cleveland men. There is that link. They continued to operate.

I became Governor and I called in sheriffs and told them, "Close up these places."

They closed for a day or two, and then they would open. Well, I decided that we would close them. I decided that I would use every power within my command; that is, use the workmen's compensation department, the unemployment-compensation department, the State fire marshal's office, the State building code department, and the liquor department. I placed in charge of that liquor department Mr. Anthony Rutkowski to coordinate the activities.

Senator Kefauver, I can't begin to describe to you the brazenness of the local officials called upon to help, who gave no aid. The places were closed, and without the least bit of aid from the local officials.

Now the Colony Club, the Jungle Inn, the Pettibone, and the Mounds Club are closed. I have here reports on each of these clubs showing graphs of what they had in the place, and you may have these. For instance, there is a graph of the Jungle Inn. The graph shows the catwalks where the guards with guns move about. It shows the roulette room, maybe not that one, but here is another one of it.

The CHAIRMAN. Governor, we are glad to have these. They will be made exhibits to your testimony.

(The documents referred to are identified as exhibit No. 1, and are on file with the committee.)

Governor LAUSCHE. I do think that if Mr. Rutkowski would testify that he would want to make use of them. These are accurate graphs of every bit of equipment that was in those places. It shows the slot machines, the roulette tables, the chuck-a-luck tables. It shows the great guarding they had, and how you got in and out of the place. You had to go through two or three doors.

Well, those places are closed. Now, they are again beginning to reappear.

The CHAIRMAN. At this time, do you want to tell us any experiences that you had with some sheriffs or local officials, or would you rather Mr. Rutkowski would do that?

Governor LAUSCHE. Well, there was the Jungle Inn episode in Trumbull County. We had an arrangement made that at, I think, it was 8:30 or 9:30, Rutkowski was to be at the place. The State highway patrol, whose powers are limited only to traffic violations, was to be on the outside of the building simultaneously with the appearance of Rutkowski in the inn. They were to call me and let me know whether they were in. I was in Cleveland at the Carter Hotel, and the highway patrol was to immediately notify the sheriff of Trumbull County that our men were in there. The call was placed to the sheriff's office. That sheriff did not appear until sometime around 12 o'clock, I believe. Mr. Rutkowski will have the time more accurately.

To my great amazement, I was informed over the telephone that when we tried to take the one-hundred-and-some slot machines to Columbus, Ohio, the sheriff aided in stopping the removal of them.

In Geauga County, back in 1945 and 1946, I repeatedly had the sheriff of Geauga County, Mr. Harlan, and the prosecutor, Mr. Bostwick, in my office, asking them to use their offices to stop the operation of the Pettibone Club, which was a larger-scale operation than the Jungle Inn, and they would close it down for a day or two and then it would open again.

Bostwick said, "Whenever you have evidence to offer to the grand jury or to me as prosecutor, I will prepare the papers and file them."

I said to him, "I believe you ought to go out and look into this matter, discover it."

The place continued to operate on and off through 1947, 1948, but in 1949, or early 1950, we closed it.

The incumbent judge passed away, and I appointed a judge by the name of Thomas to the common-pleas bench. Judge Thomas, I was convinced, would take hold of it. Well, he did take hold of it, and the place is now closed.

Down in Lawrence County, Rutkowski and his men went into the Colony Club; and, following that, a suit was filed against the common-pleas judge charging him with violation of law in permitting Rutkowski to serve a warrant and entering upon this place of crime and debauchery in defiance to duly constituted authority. Just within the last week I received word from the man who filed the suit that he was engaged by men in the background to file it. Well, the suit was dismissed; the men pleaded guilty, and that place is closed at present.

But what are the new movements? In Green County—and I want to point this out to you—Green County has begun to show signs of the development of the Oak Grove. They moved out of the Continental Club and they opened what is known as the Colonial Inn. They hired busses that go to Ashland, Ky., Huntington, W. Va., and provide transportation for people in those States. They bring them across the Ohio River to this place which is just beginning to risk itself in a modified form. They have large-scale bingo, and in the back room, they have 40 slot machines. This came to me within the last 2 weeks, and I have no hesitation in disclosing it. My men are investigating it, and the mayor in Ironton better get the place closed.

Anyhow, there you have interstate operation. The Jungle Inn in Trumbull County is trying to revive its operations, and it has sprung up in a new quarter known as the Jennings Inn.

But that is, Senator Kefauver, about the sum and substance of my experience in regard to these operators.

Lucas County had at one time the Benor Club and the Webster Club, and the gamblers from Detroit, Mich., came into that county frequently. They tried to get into a large-scale operation but never reached the proportions that they did in the Mounds Club, the Pettibone Club, the Colony Club, and the Jungle Inn.

I don't know whether you have been told about the Mounds Club. That is about 15 miles outside of Cleveland, in Lake County. It catered to the elite and the rich. The names of the persons who went there come from the supposedly upper bracket of our social strata. I think Mr. Rutkowski has the complete list.

One night there appeared a group of 8 or 9, 10 masked men in the place with guns, and the people thought it was a show, but they found out that it was a robbery. The report was that there was \$300,000 stolen.

The astounding and the shocking thing is that the operators tried to suppress the investigation. The sheriff of Lake County did not want to hear about it; the prosecutor laid back. There wasn't an effort made to apprehend the robbers. The effort was made to conceal from the public view what was going on in that club.

That is about the extent of the operation of what I would call the large-scale gambling casinos, and you now come to the wire service.

Continental Wire Service has its roots in Ohio, in my judgment. It provides the racing information to those who need it in the business of taking wagers on race horses.

A few months ago I had the chairman of the public utilities commission, Harold Mason, report to me how many wire outlets they have in Ohio and that is available to the committee if it desires to have it. I don't have the information with me.

The CHAIRMAN. Mr. Nellis says we have the number.

Governor LAUSCHE. You have?

The CHAIRMAN. And we are interested in it and we have it.

Governor LAUSCHE. I just want to make this further preliminary statement to you, and then I will be glad to have you put questions to me if you want to.

Based upon my experience and the information that came to me as a judge of the municipal court, judge of the common-pleas court, mayor of Cleveland, and now as Governor of Ohio, I am convinced that the tolerance of commercial gambling produces the following evils, separate and apart from the gambling itself:

1. The breakdown of law and order in the community where the commercial gambling enterprise exists.

2. The removal of respect of the youth and juveniles of the community for the duly established courts and law-enforcement agencies.

The CHAIRMAN. Will you amplify on that, Governor, at this point?

Governor LAUSCHE. Well, you have the young fellow who comes from an impoverished home with many children. He does not have an automobile in the home, at night he is on the street corners. Saturday nights he sees others going by in automobiles and the thought comes to him, "I would like to have an automobile ride," and he decides to take a car. He takes it, drives it for a couple of hours and brings it back within several blocks from where he took it. He is apprehended, brought before the court, and charged with the crime of stealing an automobile, a felony. Several years ago, if he would try to get into the Army, they would say, "You are unfit to be a member of the United States Army, much less of the Navy, and still less of the Marines. You are morally turbid."

That young fellow, charged with a felony, knows that within three blocks of where he lives there is a gang of gangsters and racketeers making money by the barrel, policemen going by, sheriffs knowing about it, prosecutors knowing about it, and they are not disturbed.

Senator Kefauver, what can the youth of our communities think if they are brought to account for their least transgressions when organized men of that type go unchallenged?

On the one hand, we are fighting juvenile delinquency; and, on the other hand, we are tolerating the existence of conditions which, by example, demoralize and break down the youth.

Mr. HALLEY. Would you say, Governor, that these gangsters not only go unchallenged but have begun a campaign to buy respectability and public acceptance?

Governor LAUSCHE. I would like to go on with this statement, here, if you don't mind.

3. The precipitation into crime and frequently into imprisonment of individuals who lose to those commercial gambling houses the money taken from their employers.

I believe I have elucidated that by my description of these men who came before me in the common-pleas court.

4. The deprivation of medical care, dental care, nourishing food, clothing, and other sustenances, to the wives and children of the victims of these enterprises. Except for the Mounds Club, the different places which I have mentioned in existence in Ohio were frequented by the ordinary worker. They would lose their money, the money which they should have spent for doctors and dentists and food and clothing and other sustenance for the family.

5. The establishment of a dynasty of racketeers, whose powers with the law-enforcement officials and agencies are greater than those of the citizenry itself.

In these places which I described, the citizenry didn't want those gambling enterprises continued. They wanted them stopped, but they were helpless to act.

This dynasty was in control. They were the government within the government, and their government within was more powerful than the sovereign authority of that community.

The CHAIRMAN. Governor, at that point, would you tell us what you think of the attitude of any law-enforcement officer who thinks that, if he really enforces the law, he will make himself unpopular with the people?

Governor LAUSCHE. Senator Kefauver, I am glad you asked that question.

The CHAIRMAN. We have had some enforcement officers who say, "Well, people want a liberal policy; people like to have racketeering and criminal activity, and they elect me on that platform."

You have been carrying on this effort out here very earnestly a long time. You seem to have done very well. What is your experience with the people on it?

Governor LAUSCHE. Liberality must be distinguished from criminal license. I am sure that you are not concerned about the individual who engages in a poker game in his home, or even a dice game. We are concerned about the organized racketeer, who is exploiting gullible people in the operation of these gambling institutions.

I was a member of the Army. I was a young American, and not for the moment have I directed my efforts against the weaknesses of the human flesh and the human mind. The Bible is full of descriptions of what has taken place, indicating that there has always been these human frailties.

But that is different from the organized-gambling racketeer. And, Senator Kefauver, in my opinion, 95 percent and more of the people of the State want these men driven out of the communities, and a negligible few want them in existence.

The public official who wants to succeed will do so much better on the policy of being reasonable in the effort to drive out of existence bad men than he will if he tolerates them.

The CHAIRMAN. Well, I just want to say I agree with you fully.

Governor LAUSCHE. Yes. And you have had experience along that line by the fight that was made against you in your State.

The opposition you get in a campaign is that which is generated by the money contributions of the gamblers, but that doesn't produce anything when a militant, aroused public is on the side of the person who is trying to clean up conditions.

And may I elaborate a little more on point 5? This dynasty of gambling racketeers has great technique in appealing to decent people. If you have a charitable project that you want to develop with money, a good one, go to them and they will give to you liberally.

And we have a lot of innocent, lofty-minded citizens, and even spiritual leaders, who don't recognize the fact that the money is given in a measure to quiet those people against protesting about the nefarious practices in which the donor is engaged.

Now, 6: The accumulation of tremendous wealth by the operators, which is, from a practical standpoint, stolen from their victims, and subsequently invested in legitimate enterprise, driving honest and law-abiding citizens out of business through the competition interposed and the methods used in supplementing the natural competition.

They establish businesses that compete, but in the operation of those newly established businesses, they resort to the same blackjacking, threatening, intimidating, law-breaking method that they did in the operation of their gambling joints.

They channelize their business to those who kick back, and that is why you have in so many communities in the Nation the cry of the little fellow who is being driven out of business by the gangster who has come in, and set up the business.

They are way in the background, while dupes are out in front operating these businesses for them.

Now then, I think I had better close. Your committee, Senator Kefauver, has already done a great public service in the influence that it has had upon the Federal Congress in adopting the law prohibiting the transportation across State lines of slot machines, and prohibiting them from being exhibited for play on Federal property.

I believe serious consideration should be given about the drafting of a law that will circumscribe the use of the interstate wire lines, especially in those cases where you know the service is directed solely to gambling units in various communities.

It is a plague; it is an evil that will require the joint attack of the local government, the State government, and the Federal Government.

In my judgment, whatever money is spent on it will be more than repaid by the savings that will be achieved through a hundred ways.

John Smith today, the worker with the family, is gambling his money away at one of these joints. Tomorrow he is begging for poor relief.

Today he is an honest man, working, and tomorrow he is in jail because of embezzlement.

His children and family, happy today, but tomorrow the home broken because of the poison spread by these men.

And I urge this committee to continue this investigation and try and come forth with further legislation that will help make the fight against these people.

Now I will be glad to answer whatever questions you have.

The CHAIRMAN. Mr. Nellis, do you have any questions to ask the Governor?

Mr. NELLIS. May I ask Governor Lausche one question concerning the present State of Ohio law with respect to the removal of public officials who do not do their duty?

Governor LAUSCHE. That brings up a very interesting thought. I haven't made this statement publicly, yet.

Following my service on the common pleas bench, when the Harvard Club and the Thomas Club and the Villa were closed, those in charge went to the legislature, and, in the legislature of 1943, had the law changed, taking away from the judge of the common pleas court the power to issue a search warrant.

I didn't know that until we went down into the Colony Club, and the validity of our search warrant was challenged, and I said, "Well, that power existed when I was on the common pleas bench, because I issued the search warrants."

We checked into the statutes, and found that after that fight in 1940 and 1941, the legislature changed the statute and took away from the common pleas judge the power to issue them, and placed it only in the magistrate down in the little community. That is, you would have to go to the justice of the peace to get the search warrant.

We did have a law which enabled the removal of sheriffs, and that was reasonable. But the influences changed the law, and it is my recollection that it now reads that you have to get 15 percent of the signatures for removal. And that makes it simply impossible.

I have been urging the adoption of one or two laws. One, the power to remove sheriffs, and secondly, if they do not give that power, then the power to call upon the attorney general of Ohio to institute padlock proceedings, if and when the local officials fail to act.

I do not know whether the legislature will grant that power or not. I do have the power to remove mayors.

Mr. NELLIS. You have done so, isn't that right, Governor Lausche?

Governor LAUSCHE. Yes, I have done it, and when I made the statement a moment ago that they better clean up that condition within the city of Ironton, I had that in mind.

But these men who run these places have gotten keen; they don't establish themselves in a city; they establish themselves in a township.

Mr. NELLIS. Halls Corners?

Governor LAUSCHE. Halls Corners was an artificially created city with the man who was mayor of the city and the officials connected with the Jungle Inn.

That is about it.

The CHAIRMAN. Mr. Halley, do you have any questions?

Mr. HALLEY. No questions.

Governor LAUSCHE. Just a final word. The fact is that the Ohio men are now in Nevada with that large-scale casino.

The CHAIRMAN. The Desert Inn; yes, sir.

Governor LAUSCHE. Yes. That shows the extent to which they operated here.

The CHAIRMAN. Governor Lausche, before you leave the stand, I just want to say that I have never heard a more forceful or sincere or convincing statement of the reasons why these commercial organized criminals and gangs ought to be eliminated by every method that we have as you have given today.

I wish that all the good people in the country could have heard your statement. It was most convincing. Again I want to say that

we are grateful to you and whatever effective means we have in the Federal Government to assist, we will be right with you cooperating in the future.

Governor LAUSCHIE. Thank you, Senator Kefauver, and congratulations.

The CHAIRMAN. Thank you.

Mr. Arthur B. McBride, please. Is Mr. McBride here?

I am advised Mr. McBride will be here shortly.

In the meantime, do you have another witness?

Mr. NELLIS. Yes, Alvin Giesey.

The CHAIRMAN. Is Mr. Giesey here at the present time? Alvin Giesey?

The purpose of calling these witnesses at this time is to obtain certain records and books. It is a little out of order on our schedule but we have called for certain records and books that we wanted them to produce at this time, so they are called for that limited purpose.

When Mr. McBride and Mr. Giesey arrive, will the marshal notify the chairman, and we will dispense with other hearings at that time?

The MARSHAL. Mr. McBride will be here in just a minute.

The CHAIRMAN. Mayor Burke, we will ask you to come on.

Mr. Mayor, do you solemnly swear the testimony you are about to give to this committee will be the whole truth, and nothing but the truth, so help you God?

Mayor BURKE. I do.

TESTIMONY OF HON. THOMAS A. BURKE, MAYOR, CLEVELAND, OHIO

The CHAIRMAN. Mayor Burke, I stated in the beginning that you have been very splendid to our committee.

I have heard you have done your utmost to make Cleveland not only a beautiful city but a clean city. We want to compliment you and wish you well in your endeavor, and also we will be glad to have any information you can give that would be of help, as to the findings of the committee and also the recommendations that you wish to make.

Mayor BURKE. Thank you, Senator.

I would like, first of all, to welcome you and your staff to Cleveland. I say that not only as mayor but on behalf of the people of Cleveland. I think you will find that we have a city of homes and churches, and that this community is back of you in what you are trying to do. Our director of public safety, Mr. Sutton, and our police department, I think, have already been of help to your staff.

The CHAIRMAN. They certainly have.

Mayor BURKE. I want to offer you any assistance that we may be able to render and any cooperation that we can. Governor Lausche covered many of the points that I would have made if he did not, and I don't want to be repetitious, but I would like to say, briefly, that Cleveland, like all large cities, has some crime and some vice, some commercialized gambling; but I think the evidence will show that for a great many years our police department has done a reasonably good job in harassing the underworld. I think that is demonstrated by the fact that many years ago the organized commercial

gamblers were driven out of the city and set up house, so to speak, in the suburbs.

Governor Lausche has already mentioned the Harvard Club and the Thomas Club, which were located outside the city limits of Cleveland. They operated openly and notoriously for years under the so-called home rule policy of the then sheriff, who took the position that if a gambling club was located, let us say, in Newburgh Heights, that he and his deputies do nothing about it unless invited to do so by the local city or village officials.

During those years our prosecuting attorney, Frank Cullitan, attempted to harass these clubs, and so did Governor Lausche, who was then a judge, as he told you. But it wasn't until Joe Sweeney, our present sheriff, was appointed that those places closed, and I think I can make an interesting point there.

His reputation in this community for law enforcement was such—he was an inspector of police—that the day he was appointed sheriff those clubs closed up never to reopen, and I make that point because I think it demonstrates that when a law-enforcement officer means business, he can close a gambling joint with a telephone call. He doesn't even have to raid.

After our sheriff drove the organized gambling places out of the suburbs, as Governor Lausche told you, they went into other counties and even into other States. It is true that many of the leaders in commercial gambling in this country reside in Cleveland and its suburbs, but I can say to you that they do not operate here. They operate in many legitimate businesses in which they have invested. Whether or not that is a good thing I think is extremely debatable, but they do not operate in Cleveland, that is, they do not operate illegally in Cleveland.

I think that what you are trying to do will be of great help to local enforcement officials. For example, as Governor Lausche mentioned, the interstate wire service—you have already acted, as I understand it, on making it illegal to slip slot machines in interstate commerce, and I think that enforcement officers on the local level can be assisted greatly by legislation which will seek to stamp out and harass gambling and vice on an interstate level.

That is about all I have to say to you, Senator, and, of course, I will be very happy to respond to any questions.

The CHAIRMAN. Mr. Nellis, do you have any questions?

Mr. NELLIS. No.

The CHAIRMAN. Mr. Halley, do you have any questions?

Mr. HALLEY. No.

The CHAIRMAN. Mayor Burke, we appreciate the courtesy you have done us in coming to testify in giving us a statement of conditions here in Cleveland, and we want to thank you for the hospitality of yourself and of Director Sutton, and the members of his department.

We hope you will stay with us as much as you can.

Mayor BURKE. Thank you. I will.

The CHAIRMAN. Mr. McBride, will you come around and be sworn?

Mr. McBride, do you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McBRIDE. I do.

TESTIMONY OF ARTHUR B. McBRIDE, CLEVELAND, OHIO, ACCOMPANIED BY WALTER GALLAGHER AND WILLIAM DEMPSEY, ATTORNEYS, WASHINGTON, D. C.

The CHAIRMAN. Mr. McBride, we called you, I believe, at this time for the limited purpose of certain books and records, and what not, which have been requested. We agreed that a telegram would serve the purpose of a subpoena.

Let the record show that Mr. Walter Gallagher and Mr. William Dempsey, of Washington, D. C.—of what building?

Mr. GALLAGHER. Bowen Building.

The CHAIRMAN. Bowen Building, Washington, D. C., are appearing as counsel for Mr. McBride.

Mr. GALLAGHER. May I make a statement, Senator?

The CHAIRMAN. Yes.

Mr. GALLAGHER. I would merely like the record to reflect that Mr. McBride is here voluntarily and not pursuant to subpoena as has been reported in the newspapers.

The CHAIRMAN. The agreement we had with you, Mr. Gallagher, was that you agreed that any and all Continental witnesses in connection with the Continental Wire Service, that you would have them appear voluntarily, and we agreed that we would let Mr. McBride fall in that category.

Mr. GALLAGHER. That's correct, sir.

The CHAIRMAN. And that is the situation. Also your agreement was that the things we called for in the telegram of January 15 would serve the purpose of—or the telegrams that we have sent you would serve the purpose of a subpoena.

Mr. GALLAGHER. That is correct.

The CHAIRMAN. And we are here now for the purpose of asking for the production of the books and records that are asked for in the telegram.

Mr. GALLAGHER. Senator, I believe they should be around at the back of the hearing room. There were quite a number of them. We had them carried over.

The CHAIRMAN. Let's have the telegram read into the record at this point, the previous telegram, and also the telegram of January 15, 1951. The previous telegram was January 9.

Mr. GALLAGHER. May I interrupt for just a moment, please?

The CHAIRMAN. Yes.

Mr. GALLAGHER. I believe you probably have been advised of the conversation I had with Mr. Klein in Washington and with Mr. Burling, who subsequently conferred by telephone with Mr. Halley on Monday afternoon, at which time we stated that in the light of the revised telegram which had been restricted in nature, that Mr. McBride would be only too glad to appear and produce any books and records in that connection. At that time we stated to Mr. Klein that Mr. McBride would testify under oath that he is not now nor never has been engaged in any illegal business in violation of either State or Federal law.

We, therefore, stated that we requested the same opportunity other witnesses throughout the country have had at your committee hearings of an executive session prior to any testimony in public

with respect to the specific transactions you ask about. It is our assertion, and it will be Mr. McBride's statement under oath, that there is nothing improper with any of the transactions pertaining to which you want some information on.

Before you read the telegram into the record, I request an opportunity for Mr. McBride first to answer under oath with respect to those transactions.

The CHAIRMAN. Mr. Gallagher, the matter of whether hearings are in open session or in executive session is, of course, a matter of discretion for the committee.

Mr. GALLAGHER. I realize that.

The CHAIRMAN. The usual purpose of executive sessions, and we have operated that way for a while, is where we don't know and can't find out what the information is.

In this particular instance, we have considerable documentary evidence as to transactions of Mr. McBride. We have had previous evidence both in executive session and in open session of the history and what has happened about the Continental Press Service.

Mr. GALLAGHER. We have no objections now to any questions about Continental Press.

The CHAIRMAN. There are only certain matters with the Continental that we do want to ask Mr. McBride about, but we will have our hearing a public hearing as we will with the other witnesses here in Cleveland, and as we have with many other witnesses in other cities for the first time that they have been called.

We will give Mr. McBride full opportunity to explain any matter that we may ask about, and at least at the conclusion of any testimony he may give, you will be given and Mr. Dempsey will be given an opportunity to ask any questions to clarify anything, because we only want the facts, and we have no inclination on our part to do anybody an injustice. We do not want to do anyone an injustice, and you will have ample time and full time for Mr. McBride and anyone else to make any explanations about any matters that may be brought out here.

Mr. GALLAGHER. Senator, I believe I quote you correctly and the members of your staff throughout the country. Now, you haven't had an open hearing, to my understanding, anywhere but in Tampa until you first had an executive session, and you have been quoted in the newspapers that the purpose for holding an executive session first is so that if any of the information you are asking about does not reflect any pertinency or relevancy to the scope of your resolution when that evidence has been adduced before you, that you will not then bring it out in public because it is not your intention to go into any private affairs that have no bearing on the scope of your resolution.

Now, we feel that given an opportunity in executive session—these are just private business transactions that have no relationship to crime, organized crime or otherwise, and that there would be no need of putting in the record any private business transactions Mr. McBride has had.

We are merely requesting the same opportunity that they have had from Los Angeles to Philadelphia, from Chicago to Miami, where a lot of people with bad reputations have been accorded that privilege.

We think that Mr. McBride, with the standing he has in this community, with no criminal record, a man held in respect, should be accorded that same opportunity before there is any divulgement of his personal matters here.

Mr. HALLEY. Mr. Gallagher, I think you have been laboring under a misapprehension as to the purpose of closed hearings. In the first place, even in the places where the committee has had closed hearings, not all of the witnesses have been examined in a closed hearing. There have been some examinations of witnesses in closed hearings, and then an open hearing, at which a great many witnesses were called who were not heard at the closed hearing. The purpose of hearing witnesses at the closed hearings has not been to accord witnesses a chance in secret to tell their story, but rather to enable the committee to come to the conclusion that it is ready to have an open hearing at which it can justly and fairly present its evidence.

In the case of Mr. McBride, the committee has heard a great deal of evidence concerning Mr. McBride's activities in closed hearings, and in open hearings, and as a result of the investigations, and for that reason the committee has come to the conclusion that it would be a waste of time to do the job of hearing Mr. McBride twice. I assure you that the investigative job that has been conducted, not only here in Cleveland but elsewhere in the country, is such that the committee very well knows the information that it is eliciting, the purpose for which it is elicited, and there is very little chance that with, as you know, the record for fair play that the chairman has established, that your client will suffer any injustice.

Mr. GALLAGHER. I realize that, and I realize how fair the Senator is, but I thought that when your committee first started out you wanted to avoid any of the opprobrium which was attached to the House Un-American Activities Committee which——

The CHAIRMAN. Mr. Gallagher, this is Mr. McBride testifying. This is not some other witness testifying as to hearsay or some remote suspicion about Mr. McBride.

Mr. GALLAGHER. I realize that.

The CHAIRMAN. I want to say to you that at the conclusion of the hearing if any witness has said something about Mr. McBride which he doesn't talk about in his direct testimony, and that he feels does him an injustice, in the case of him or anyone else, we invite that person to let us know, and they will be heard if we have to stay over every night, or if we have to stay here for a week.

Well, anyway, we appreciate your statement, Mr. Gallagher, and let us get the records in and see what we have.

Mr. GALLAGHER. May I have just a moment, Senator?

The CHAIRMAN. All right.

Gentlemen of the press, would you take your pictures when the witness first comes and starts making a statement? And during the time he is testifying, after the first couple of minutes, let's leave off the pictures, please.

Well, gentlemen, we have to proceed. Let's bring in the records and see what we have.

Mr. DEMPSEY. I will see if I can get them, Senator.

Mr. NELLIS. I would like to list specifically the records which are requested.

Mr. DEMPSEY. We have the list, Mr. Nellis.

The CHAIRMAN. Let's read off the records specifically, then we will see what we have.

The telegrams will be read into the record at this point.

Mr. GALLAGHER. May we wait for just a moment until Mr. Dempsey comes back?

The CHAIRMAN. Mr. who?

Mr. GALLAGHER. Mr. Dempsey. He is getting the books and records.

The CHAIRMAN. All right. We must get them.

Mr. HALLEY. If we have a statement that all the records are here, our staff can check them.

Mr. NELLIS. Are they all here?

Mr. GALLAGHER. Yes.

The CHAIRMAN. I think we had better get them identified for what they are.

Mr. NELLIS. This is a telegram——

The CHAIRMAN. Let Mr. Dempsey bring the records in.

Mr. NELLIS. Shall I read the telegram for the record?

The CHAIRMAN. Will you have Mr. Giesey also, Mr. Marshall—have him available with all of his records so we won't have this delay next time.

Mr. NELLIS. This is a telegram from Cleveland, Ohio, January 15, 1951, addressed to Walter Gallagher, Esq., 821 Fifteenth Street NW., Washington, D. C.

Reference appearance of Arthur B. McBride on Wednesday, January 17 at 10 o'clock, Federal Building, Cleveland, Ohio, per agreement made my telegram addressed to you at Ronald Apartments, Surfside, Miami Beach, and sent from Washington on Monday, January 8 or Tuesday, January 9, is amended as follows: With respect to the books and records to be brought to the hearing by Mr. McBride they should include all records concerning real estate and other transactions with Alfred Polizzi, John Angersola alias King, George Angersola alias King or Fred Angersola, alias King, or their wives and/or transactions with H. I. Holding Co., a Florida corporation, for the years 1945 through 1949. Books, records, and correspondence relating to McBride's purchase of Continental Press Service and his subsequent divestment on such ownership. Any business or financial dealings with following individuals: Morris Wexler, Martin J. O'Boyle, John Fleming, James Dunn, and Anthony Milano. The details of McBride's ownership of the yacht *Wood Duck*. Any records, checks or correspondence relating to the purchase by McBride's son, Edward, of Continental Press Service. The details of any interest McBride may have for the years 1945 to date in any news service or subdistribution of Empire News Service. Please acknowledge receipt collect.

J. L. NELLIS,

*Assistant Counsel, Special Committee to Investigate
Organized Crime in Interstate Commerce.*

The CHAIRMAN. All right. Where are the books and records?

Mr. GALLAGHER. I am afraid that Dempsey won't recognize Mr. Larrimore, who is supposed to be bringing the books.

The CHAIRMAN. Will you go and see if you can recognize him?

Mr. GALLAGHER. Yes.

The CHAIRMAN. Mr. McBride, will you stand aside a minute?

Is Mr. Giesey here yet?

A VOICE. Here he is.

The CHAIRMAN. All right, Mr. Giesey, will you come in? Just sit down right over here, Mr. McBride.

Mr. McBRIDE. I want to go with Mr. Gallagher, if you don't mind.

The CHAIRMAN. All right, sir. Where is Mr. Giesey?

A VOICE. He went to get his records.

The CHAIRMAN. All right, let him bring his records.

Which is Mr. Giesey?

Mr. GIESEY. Here; right here.

The CHAIRMAN. Mr. Giesey, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. GIESEY. Yes.

TESTIMONY OF ALVIN E. GIESEY, ACCOMPANIED BY TIMOTHY McMAHON, ATTORNEY, CLEVELAND, OHIO

Mr. McMAHON. I think I should introduce myself. My name is Tim McMahon; I am from Cleveland; I represent Mr. Giesey.

The CHAIRMAN. Glad to meet you. What is your first name?

Mr. McMAHON. Timothy.

The CHAIRMAN. Your address, Mr. McMahon?

Mr. McMAHON. 620 Williamson Building.

The CHAIRMAN. 620 Williams Building?

Mr. McMAHON. Williamson, sir. Attorney at law, Cleveland, Ohio.

The CHAIRMAN. And you are attorney for Mr. Giesey?

Mr. McMAHON. That's right, sir.

The CHAIRMAN. All right, Mr. Nellis.

Mr. NELLIS. Mr. Giesey, have you produced—

Mr. McMAHON. May I say something first?

Mr. NELLIS. Let me finish my question, please. You produced the records called for by the subpoena and as a result of our two conversations last week?

Mr. McMAHON. Prior to that, Mr. Nellis, I wish for the purpose of this record to enter an objection to the lack of a quorum of this committee. My understanding is that the committee is composed of five members, of which only Senator Kefauver is present.

Now you may proceed.

The CHAIRMAN. All right. It is in the record, and I should have explained that the whole committee by resolution has authorized the committee to hold hearings with one member duly designated by the chairman.

Mr. McMAHON. Senator, if there is something—

The CHAIRMAN. Just a minute. At Cleveland. That is part of the record of the committee and the resolution, so it can be clear, of the committee, made that observation January 3, 1951, and it is now incorporated in the record, which I will read in order so there can be no misunderstanding about it.

Mr. McMAHON. I would like to have it read.

The CHAIRMAN (reading):

Special Committee To Investigate Organized Crime in Interstate Commerce.

Resolved, That the chairman of this committee be and hereby is authorized at his discretion to appoint one or more subcommittees of one or more Senators, of who one member shall be a quorum, for the purpose of taking testimony and all other committee acts, to hold hearings at such places and times as the chairman might designate in furtherance of the committee's investigation of organized crime in the vicinities of the cities of Cleveland, Ohio, and Detroit, Mich.

The chairman, pursuant to this resolution, has designated himself and does now designate himself as a committee of one to hold this hearing of which we—

Mr. McMAHON. Is that all, Senator, or is there something of a written nature?

The CHAIRMAN. The resolution, of course, is part of the record.

Mr. McMAHON. Very well. On that basis I would like the record to show a renewal of my objection to the lack of a quorum.

The CHAIRMAN. Very well, the objection is duly noted.

Mr. NELLIS. Now, Mr. Giesey, may we have the records called for by the subpoena?

Mr. McMAHON. Well, let me say this, Mr. Nellis, and so you understand it, Senator: Last Wednesday and Friday Mr. Giesey and I appeared in response to subpoenas which were purportedly signed by you as chairman of this committee.

The CHAIRMAN. Yes, I am sure they have all been signed by me, sir. The subpoenas are all signed by the chairman of the committee.

Mr. McMAHON. During those 2 days we gave to Mr. Nellis certain records. Now, I would like first before anything further is produced that these records that we have given to him previously be introduced into the record and if we have any objection to their pertinency, we can go forward on that.

The CHAIRMAN. As we go along, the records, what records we have will be.

Mr. McMAHON. Will they be given an exhibit number?

Mr. NELLIS. They will.

The CHAIRMAN. Yes; they will be given an exhibit number.

Mr. NELLIS. Now may we have the books and records, Mr. Giesey?

The CHAIRMAN. Do you want to specify in regard to them?

Mr. NELLIS. I would rather not read the record provision. I have done that two or three times in the case of Mr. Giesey and as long as he produces them now, why, that is compliance with the subpoena.

Will you identify them as you produce them for the examiner?

Mr. GIESEY. Yes, sir.

Mr. McMAHON. Without interrupting you, may I have an objection to the production of each and every exhibit as it goes in here? Will the record show that without a repeated objection? Is that satisfactory, Senator?

The CHAIRMAN. Well, I think you better object. I don't know what you are objecting to.

Mr. McMAHON. I am only trying to expedite your time.

The CHAIRMAN. Just let the record show you are objecting to everything.

Mr. McMAHON. Each and every one as it goes in.

The CHAIRMAN. All right, Mr. McMahon. Now let's proceed and see what we have. We don't want to get into a discussion of them in detail. We merely want them here so that when we call you back, Mr. Giesey, we can talk with you about them more intelligently.

Mr. GIESEY. Here are my canceled checks for the year 1947. These are my own personal canceled checks and pertain to my own personal transactions.

The CHAIRMAN. That will be exhibit No. 2.

Mr. McMAHON. There are a number of checks there that have nothing to do with organized crime or anything else. I am not going to turn them over unless they are each marked with an exhibit number.

The CHAIRMAN. Well, Mr. McMahon, the objection is overruled. The committee will try to use discretion in not bringing out any checks

that do not have anything to do with our inquiry. The group of checks—

Mr. McMAHON. Certainly, Senator, if something is not pertinent to the inquiry, you have no right to it.

The CHAIRMAN. Yes. We will decide that, Mr. McMahon. You sit down.

Mr. McMAHON. You are not going to decide it over my objection?

The CHAIRMAN. We have your objection and it is for the committee to decide.

Mr. McMAHON. I didn't expect you to do otherwise, but I am making this for the record.

The CHAIRMAN. It is all right. You have objected to everything. We will let the record show that you objected.

Let the checks of 1947, canceled, personal checks, be marked "Exhibit No. 2."

The CHAIRMAN. All right, Mr. Giesey, let's proceed.

Mr. GIESEY. Here are my canceled checks for the year 1948, which consists of my own personal checks in my own personal transactions.

The CHAIRMAN. Exhibit No. 3.

Mr. GIESEY. Here are my personal checks for the year 1949 which pertain to my own personal transactions.

The CHAIRMAN. Let them be marked as exhibit No. 4.

Mr. GIESEY. Here are my personal checks for the year 1950 which are my checks on my personal transactions.

The CHAIRMAN. Exhibit No. 5.

Mr. NELLIS. Mr. Giesey, have you brought anything else?

The CHAIRMAN. Let him go ahead and identify what he has.

Mr. NELLIS. All right.

Mr. GIESEY. Here is a warranty deed to a piece of property in Euclid, Ohio.

The CHAIRMAN. Who is the grantor and grantee?

Mr. GIESEY. Justine Bartholomew, and Leo C. Bartholomew, also known as Justine Bartholmew, with an "o" instead of without it, and Leo C. Bartholomew, husband and wife.

The CHAIRMAN. That is exhibit No. 6.

Mr. GIESEY. That is to myself and another party by the name of E. K. Swan.

The CHAIRMAN. Exhibit No. 6.

Mr. GIESEY. Here is a warranty deed from one Ethel E. Knapp, unmarried, to me, covering a piece of property on Sloane Avenue in Lakewood, Ohio.

The CHAIRMAN. Exhibit No. 7.

Mr. GIESEY. Here is a tax receipt for the first half of 1948, showing a piece of property in my name, consisting of a lot on East One hundred and forty-second Street.

The CHAIRMAN. Exhibit No. 8.

Mr. GIESEY. The value of which is \$220.

Here is a tax receipt for the first half of 1948, covering the Sloane Avenue property, showing a valuation of \$2,940.

The CHAIRMAN. Exhibit No. 9.

Mr. GIESEY. Here is a tax receipt for the second half of 1949, covering the Wickliffe property, showing a valuation of \$2,140.

The CHAIRMAN. Exhibit No. 10.

Mr. McMAHON. Now, Senator, before we proceed with these, these are the actual stock certificates of what he owns in various companies.

I don't want the stock certificates in evidence. They are negotiable.

The CHAIRMAN. Well, I will tell you what we will do on those——

Mr. McMAHON. Can we take a record of them?

The CHAIRMAN. We will return them to you at 5 o'clock this afternoon, unless you have copies made. Do you have copies which you can certify?

Mr. McMAHON. Well, I want a definite receipt from someone for these. They are negotiable instruments.

The CHAIRMAN. All right. We will give you a receipt. As soon as you get them in, we will have the committee give you a receipt, and we will get them back to you at 5 o'clock tomorrow afternoon. Will that be all right? Because we have got to copy them.

Mr. McMAHON. All right. I want those back. The others I am not too concerned about.

Mr. GIESEY. Certificate of stock No. 3, Trailer Homes, Inc., for 331½ shares.

The CHAIRMAN. Give the name of the company and the number of shares, and I think that will be sufficient identification.

Mr. GIESEY. 331½ shares, Trailer Homes, Inc., \$250 total capital stock.

The CHAIRMAN. Now, that is exhibit No. 11, is it not?

The CHAIRMAN. All right, sir. Next one?

Mr. GIESEY. Here are some certificates of stock of the United Aircraft Products Co.

Mr. McMAHON. Read the numbers off.

Mr. GIESEY. Each one is for 100 shares.

Certificate Nos. N15539, N 15540, N15541, N15542, N15543, N15177, N15178, N15179, N15180, N15181, N15182, N15183, N15184, N15185, N15186, N15187, N15188, N15189, N15190, N15191, N15192, N15193, N15194, N15195, N15196, N15197, N15198, N15199, N15200, N15201, N15202, N15203, N15204, N15205, N15206, N15207, N15208, N15209, N15210, N15211, N15212, N15213, N15214, N15215, N15216, N15217, N15218, N15219, N15220, and N15221.

The CHAIRMAN. They are all in what company?

Mr. GIESEY. United Aircraft Products, Inc., which is listed on the New York Curb Exchange.

The CHAIRMAN. They will be marked as exhibit No. 12.

Mr. GIESEY. And dated in December 1950.

The CHAIRMAN. All right.

Mr. GIESEY. I don't have the stock certificates on 50 shares of stock that I have in the Weiss-Lincoln-Mercury Co.

The CHAIRMAN. In the what?

Mr. GIESEY. Weiss-Lincoln-Mercury Co.

The CHAIRMAN. Can you give us the date of that stock?

Mr. GIESEY. Weiss-Lincoln-Mercury?

The CHAIRMAN. Yes.

Mr. GIESEY. 1949.

The CHAIRMAN. The Weiss-Lincoln-Mercury Co. of what city?

Mr. GIESEY. Sharon, Pa.

The CHAIRMAN. How many shares?

Mr. GIESEY. There are 100 shares outstanding, of which I have 50 shares.

The CHAIRMAN. What is the par value?

Mr. GIESEY. \$5, or \$2.50; I don't know which. There is a total of a thousand dollars, as I recall.

The CHAIRMAN. All right, sir. What else?

Mr. GIESEY. Then I have an accounts receivable——

The CHAIRMAN. Now, where is that stuff?

Mr. GIESEY. It is in Sharon, Pa. I thought I had it, but it is in an attorney's office down there.

Then I have an account receivable from that company, created in 1949, approximately \$9,000.

I have an account receivable from——

The CHAIRMAN. Are you reading from documents?

Mr. GIESEY. No, it is just a—you can have it.

The CHAIRMAN. Well, where is the account receivable?

Mr. GIESEY. It is in Sharon, Pa.

The CHAIRMAN. What is the lawyer's office? Who is the lawyer?

Mr. GIESEY. The telephone number is Sharon 4444. I will think of his name in a moment, Senator.

The CHAIRMAN. An old lawyer friend of yours?

Mr. GIESEY. No, no; he isn't. I haven't had much to do with him. He represented this company down there. He is a Jewish gentleman——

The CHAIRMAN. Go ahead. You think of it later.

Mr. GIESEY. Then I have an account receivable from Jerome Motor Co. in Galion, Ohio, approximately \$6,000.

The CHAIRMAN. Where is that?

Mr. GIESEY. In Galion, Ohio.

The CHAIRMAN. In whose hands?

Mr. GIESEY. Well, that shows on the books of the company.

The CHAIRMAN. But you have no documentary evidence of it?

Mr. GIESEY. No, sir.

The CHAIRMAN. Proceed.

Mr. GIESEY. Then I have a net worth in the partnership of Giesey & Sauers, of approximately \$12,000. That is an accounting firm.

There is a list of what I have just read off [proffering paper].

The CHAIRMAN. Let that list be made exhibit 13.

(Exhibits No. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13, records of Alvin E. Giesey, were returned to the witness after analysis by the committee.)

Mr. NELLIS. Do you have some more?

Mr. GIESEY. That attorney's name is Nathan Weltman.

The CHAIRMAN. Do you have any more stock certificates to introduce?

Mr. GIESEY. No, sir.

The CHAIRMAN. Mr. Nellis?

Mr. NELLIS. Mr. Giesey, did you ever own any stock in a corporation entitled "Detroit Steel Corp."?

Mr. GIESEY. No, sir; I never did—that is my wife's stock, not mine.

Mr. NELLIS. Well, tell us about that. How many shares did you own, and during what year?

Mr. GIESEY. There is 400 shares that I owned, that I bought through the firm of Merrill, Lynch——

Mr. McMAHON. Pierce, Fenner & Beane.

Mr. GIESEY. Pierce, Fenner & Beane.

The CHAIRMAN. Wait a minute, now. The Detroit Steel Corp.?

Mr. GIESEY. It is the Detroit Steel Corp.

The CHAIRMAN. And you bought it for your wife?

Mr. GIESEY. It is in my wife's account. I think I bought a hundred shares, four different times.

Mr. NELLIS. What year was that, Mr. Giesey?

Mr. GIESEY. I would say that was probably in 1948, and again in 1947.

Mr. NELLIS. And do you recall any dividends which either you or your wife—

Mr. McMAHON. Well now, I object, Senator. I just want to get my understanding clear on this.

Mr. NELLIS. One moment.

The CHAIRMAN. Let him make his statement.

Mr. McMAHON. I want to make this objection. I want to get an understanding that I have an objection to each and every question that is asked, without tying up your time. Because, what pertinency what his wife owns, or that he bought some stock from Pierce's office, I don't see what it has to your inquiry. He is an accountant.

The CHAIRMAN. All right, sir. We will note that you have made an objection.

Mr. McMAHON. And do I have a continuing objection?

The CHAIRMAN. And a continuing objection to each question.

Mr. McMAHON. Very well.

Mr. NELLIS. Mr. Giesey, I repeat, did you or your wife ever receive any dividends from the stock which you have just described, from the Detroit Steel Corp.?

Mr. GIESEY. We have received every dividend they ever paid; yes, sir.

Mr. NELLIS. Thank you. That is all I have on that, sir.

The CHAIRMAN. Did you buy it through Merrill, Lynch, Pierce, Fenner & Beane in Cleveland?

Mr. GIESEY. Yes, sir.

The CHAIRMAN. And where is that stock?

Mr. GIESEY. The stock is on margin.

The CHAIRMAN. Well, I mean, is it in the possession of Merrill, Lynch?

Mr. GIESEY. Yes, sir; 200 shares of it in possession of Merrill, Lynch.

The CHAIRMAN. What did you pay for it?

Mr. GIESEY. I think I paid around \$23 or \$24 a share.

The CHAIRMAN. What is it quoted today?

Mr. GIESEY. Yesterday it was $31\frac{7}{8}$.

The CHAIRMAN. Very well. Proceed.

Mr. GIESEY. I have my personal income-tax return, Alvin E. and Gladys K. Giesey, for the year 1940.

The CHAIRMAN. Let me ask one question about the Detroit Steel Corp.

Did you buy any stock for any other members of your family besides your wife?

Mr. GIESEY. No, sir.

The CHAIRMAN. All the stock you got in the Detroit Steel Corp., did you buy it from Merrill, Lynch?

Mr. GIESEY. Yes, sir.

The CHAIRMAN. You own no other interest in it except that which you bought that way?

Mr. GIESEY. That is absolutely right; yes.

The CHAIRMAN. All right, sir.

Mr. GIESEY. Income-tax return, Alvin E. and Gladys K. Giesey, the year 1940.

The CHAIRMAN. Exhibit No. 14.

The CHAIRMAN. Let's make each one an exhibit, if you please.

Mr. GIESEY. Income-tax return for the year 1941, Alvin E. and Gladys K. Giesey.

The CHAIRMAN. Exhibit No. 15.

Mr. GIESEY. Income-tax return, the year 1942, Alvin E. and Gladys K. Giesey.

The CHAIRMAN. Exhibit No. 16.

Mr. GIESEY. Income-tax return for the year 1943, Alvin E. and Gladys—pardon me. That is just plain Alvin E.

Does that last one have both names on it?

All right. This is income-tax return of Alvin E. Giesey.

The CHAIRMAN. Exhibit No. 17.

Mr. GIESEY. The year 1944, the income-tax return of Maj. Alvin E. Giesey.

The CHAIRMAN. Exhibit No. 18.

Mr. GIESEY. Income-tax return for the year 1945, Alvin E. Giesey.

The CHAIRMAN. Exhibit No. 19.

Mr. GIESEY. Income-tax return for the year 1946, Alvin E. and Gladys K. Giesey.

The CHAIRMAN. Exhibit No. 20.

Mr. GIESEY. Individual income-tax return for the year 1947, Alvin E. Giesey.

The CHAIRMAN. Exhibit No. 21.

Mr. GIESEY. 1948 income-tax return, Alvin E. and Gladys K. Giesey.

The CHAIRMAN. Exhibit No. 22.

Mr. GIESEY. 1949, income-tax return, Alvin E. and Gladys K. Giesey.

The CHAIRMAN. Exhibit No. 23.

Mr. GIESEY. Here is a record of my personal receipts and checks, the checks which have been previously furnished from January of 1947—for the year 1947, for the year 1948, for the year 1949, for the year 1950.

The CHAIRMAN. Would the book be made exhibit No. 24?

(Exhibits No. 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24, tax records of Alvin E. Giesey were returned to witness after analysis by the committee.)

Mr. McMAHON. Senator, I just discussed this before with Mr. Nellis, and I think I can save some time.

Mr. NELLIS. May I ask a question? Do you recall the stenotypist's transcript of your first meeting with me at which we listed on a record, which you have in your possession, the items contained in this?

Mr. McMAHON. That's right.

Mr. NELLIS. If we stipulate that that record is what we have, will you be satisfied? Can we incorporate it into this record to save us the time?

Mr. McMAHON. I don't have it written. It will only take me possibly 10 minutes to read this, and if you will check them with the documents?

Mr. NELLIS. I will.

Mr. McMAHON. May we stipulate that on Wednesday, January 10, and Friday, January 12, pursuant to the subpoenas issued in this matter, the following records were turned over to Mr. Nellis, assistant counsel for the committee:

The partnership-tax returns of the firm of Giesey & Sauers, Accountants, for the years 1945 through 1949; the ledger sheets for the years 1945 through 1950 showing the accounting fees received by Mr. Giesey from the Beverly Hills Country Club, the Lookout Club, the Church Motors, the Pettibone Club, the Union Enterprise Co., and the Country Club Enterprise; the 1950 declarations of estimated income tax for the following:

Morris and Gizella Kleinman; Mr. B. and T. C. Dalitz; William and Morris Schwartz; Samuel and Louis Tucker; Louis and Blanche Rothkopf; the 1949 return of the 2515 Kemper Co.; and the social-security and unemployment files for the Chesapeake Catering Co. for the years 1945, 1946, 1947, 1948, and 1949; the same social-security and unemployment-file records for the Union Enterprise Co. for the years 1947, 1948, and three-quarters of the year 1950; the same type of records for the Pettibone Club for the years 1946, 1947, 1948, 1950; and the same social-security and unemployment-file records for the years 1945, 1946, 1947, 1948, 1949, and 1950.

May we so stipulate, Mr. Nellis?

Mr. NELLIS. Yes.

Mr. McMAHON. May we further stipulate that each and every one of those exhibits that I read will be given a definite exhibit number and incorporated into this record?

The CHAIRMAN. Mr. Nellis said that we have such records and we can stipulate that they can be given consecutive exhibit numbers and incorporated in this record.

Mr. McMAHON. That is from 25 on?

The CHAIRMAN. From 25 on; yes.

(The documents referred to were returned to witness after analysis by the committee.)

Mr. McMAHON. Very well.

Mr. NELLIS. Mr. Giesey, you have brought everything in your possession relating to Louis Rothkopf alias Rhody?

Mr. GIESEY. Yes.

The CHAIRMAN. First ask if he has brought anything about each one of these, and if he has brought all the records.

Mr. NELLIS. Oh, all right. I will withdraw the question and re-frame it in the following manner:

Have you brought any records concerning Louis Rothkopf alias Rhody?

Mr. GIESEY. I don't recall all the records I brought you, Mr. Nellis, but you just read them off. They pertain to Mr. Rothkopf, they are in there.

Mr. NELLIS. Have you brought everything pertaining to him, so far as you know?

Mr. GIESEY. All the records that I had any control over; yes, sir.

Mr. NELLIS. Have you brought any relating to Morris Kleinman?

Mr. GIESEY. I think there are some records mentioned of Morris Kleinman.

Mr. NELLIS. You have brought all relating to Morris Kleinman?

Mr. GIESEY. All the records that I have any control over.

Mr. NELLIS. Have you brought any relating to Samuel Tucker?

Mr. GIESEY. Yes; I think I did.

Mr. NELLIS. Have you brought all relating to him?

Mr. GIESEY. All that I had any control over.

Mr. NELLIS. Have you brought any relating to Moe Dalitz alias Davis?

Mr. GIESEY. Is his name mentioned on there?

Mr. NELLIS. I am asking you.

Mr. GIESEY. Well, let me refer back to see what we just read off there. Yes.

Mr. NELLIS. You have brought all records pertaining to him?

Mr. GIESEY. All that I have any control over.

Mr. NELLIS. Have you brought any relating to Charles Polizzi?

Mr. GIESEY. I don't recall bringing anything on Charles Polizzi; no, sir.

Mr. NELLIS. Do you have any on Charles Polizzi?

Mr. GIESEY. No, sir.

Mr. NELLIS. Did you bring any records concerning Alfred Polizzi?

Mr. GIESEY. No, sir; I have had no records of Alfred Polizzi.

Mr. NELLIS. Do you have any records pertaining to Frank Milano?

Mr. GIESEY. No, sir; I don't even know Frank Milano.

Mr. NELLIS. Do you have any records on Frank Milano?

Mr. GIESEY. No.

Mr. NELLIS. The same question as to Anthony Milano?

Mr. GIESEY. No, sir; I never did.

Mr. NELLIS. The same as to Thomas J. McGinty. Did you bring any relating to Thomas J. McGinty?

Mr. GIESEY. Apparently there is nothing.

Mr. NELLIS. You brought no records on Thomas J. McGinty?

Mr. GIESEY. Nothing on Thomas McGinty.

Mr. NELLIS. You have none?

Mr. GIESEY. No, sir.

Mr. NELLIS. Have you brought any records with respect to Cornelius Jones?

Mr. GIESEY. No, sir, I never had any.

Mr. NELLIS. James Licavoli.

Mr. GIESEY. I don't know Mr. Licavoli and I have never had any.

Mr. NELLIS. Michael Farah?

Mr. GIESEY. I don't know Michael Farah so I wouldn't have any records.

Mr. NELLIS. Have you ever done any tax work or work of any kind professionally for the Detroit Steel Corp.?

Mr. GIESEY. No, sir.

Mr. NELLIS. Do you have any records of the Detroit Steel Corp.?

Mr. GIESEY. No, sir.

Mr. NELLIS. Aside from the shares of the stock held by you?

Mr. GIESEY. No, sir; I do not.

Mr. NELLIS. That is all at this time, Mr. Chairman.

The CHAIRMAN. That is all now, Mr. Gieseey, and you will not be called back today, but you understand—we may reach you later today, but we will call you at your office.

Mr. McMAHON. If you want him, Senator, Mr. Nellis knows where my office is. He will be available.

The CHAIRMAN. You understand you remain under subpoena and subject to further call?

Mr. GIESEY. Yes, sir.

The CHAIRMAN. Thank you, Mr. Gieseey.

Mr. GIESEY. Thank you.

The CHAIRMAN. Mr. McBride. Will you ask Mr. McBride to come back.

Mr. McBride, will you state your full name.

**FURTHER TESTIMONY OF ARTHUR B. McBRIDE, CLEVELAND, OHIO,
ACCOMPANIED BY WALTER GALLAGHER AND WILLIAM DEMPSEY,
ATTORNEYS, WASHINGTON, D. C.**

Mr. McBRIDE. Arthur B. McBride.

Mr. NELLIS. Your residence?

Mr. McBRIDE. 17005 Greenwood Avenue, Cleveland, Ohio.

Mr. NELLIS. Do you have any other residence?

Mr. McBRIDE. No, not at present.

Mr. NELLIS. Have you brought the records with respect to all records concerning real estate and other transactions with Alfred Polizzi?

Mr. McBRIDE. I think they are here.

Mr. NELLIS. Can we have them out and have them identified?

The CHAIRMAN. These records will be considered separately and will be marked "Exhibit No. 26."

(The papers identified were thereupon received in evidence as exhibit No. 26, and were later returned to the witness.)

Mr. NELLIS. Have you brought all of them now, sir?

Mr. McBRIDE. I think so, all that I have.

Mr. DEMPSEY. I think this goes along with that other there. Here are still more.

Mr. NELLIS. Let's get all of the Polizzi papers together, Mr. Dempsey. Is that all on Polizzi?

Mr. DEMPSEY. I think it is; yes.

Mr. NELLIS. Let's make sure before we go on with the next item.

Mr. DEMPSEY. I believe that is all there is.

Mr. HALLEY. They are Mr. McBride's records, he is the witness. Can't he tell us? He sits back there and lets you do it.

Mr. DEMPSEY. Take a look at them.

Mr. McBRIDE. I have a lot of records, Mr. Halley.

The CHAIRMAN. All right. Go ahead, Mr. Nellis.

Mr. NELLIS. Is that all of the ones on Alfred Polizzi? May I have an answer to that, Mr. McBride?

Will the reporter read the question?

(Question read.)

Mr. McBRIDE. I think so.

Mr. NELLIS. You aren't sure?

Mr. McBRIDE. All that I have.

Mr. NELLIS. All right.

The CHAIRMAN. The question is, do they cover all the transactions you ever had with Mr. Polizzi?

Mr. DEMPSEY. Senator, I believe they are all the records that Mr. McBride has, that were called for by the telegram, that we have been able to find.

The CHAIRMAN. Proceed to the next.

Mr. NELLIS. Now will you produce all records concerning real estate and other transactions with John Angersola, alias King?

Mr. GALLAGHER. We don't have any.

Mr. McBRIDE. I don't have any.

Mr. NELLIS. You have no records on that?

Mr. McBRIDE. No.

Mr. NELLIS. Do you have any records?

Mr. GALLAGHER. On John King? None.

Mr. NELLIS. Did you bring any records on John King?

Mr. GALLAGHER. You can't bring them if you don't have them.

The CHAIRMAN. Well, let's ask a question. Have you had any transactions of any sort with this man we talk about?

Mr. McBRIDE. Yes, sir.

The CHAIRMAN. Then we will get into that later. Proceed.

Mr. NELLIS. Do you have any records concerning real estate and other transactions with Fred Angersola, alias King?

Mr. McBRIDE. No.

Mr. GALLAGHER. When you say other transactions, Mr. McBride stated he sold him a boat at one time.

Mr. NELLIS. That is a record. I mean, there should be a record.

Mr. McBRIDE. I thought this was a real-estate transaction.

Mr. NELLIS. I said real-estate transactions and other transactions.

Mr. DEMPSEY. And Mr. Nellis, your telegram calls for records from 1945 to 1949. There are no records of Mr. King or any transactions of any kind with him during that period. In another part of your telegram you ask about the yacht *Wood Duck*. That was sold to Mr. King.

Mr. NELLIS. Yes. Will you produce that at the time I ask you about it?

Mr. DEMPSEY. As far as I know, there is no record on it. We have no record.

Mr. GALLAGHER. The boat was sold in 1939 or so.

Mr. NELLIS. Do you have any records of any transactions with Fred Angersola, alias King?

Mr. McBRIDE. None whatsoever.

Mr. NELLIS. Did you have any transactions with him?

Mr. McBRIDE. Yes.

Mr. NELLIS. Do you have any records of real estate or other transactions with George Angersola, alias King?

Mr. McBRIDE. None whatsoever.

Mr. NELLIS. Did you have any transactions with him?

Mr. McBRIDE. Not that I know of.

Mr. NELLIS. Well, did you have any transactions?

Mr. McBRIDE. I don't know of any.

Mr. NELLIS. Do you have any books, records, and correspondence relating to your purchase of Continental Press Service?

Mr. McBRIDE. Yes, sir.

Mr. NELLIS. May I have those identified, please?

MR. GALLAGHER. I might clarify that statement, Mr. Nellis, for the record, that Continental Press Service was not purchased. The document that Mr. McBride means is that he has a document dealing with Mr. James Ragen's acquisition of Continental Press from Mr. McBride. Continental Press was not purchased, it was established by Mr. McBride.

MR. McBRIDE. That's right.

THE CHAIRMAN. If you have anything whatever, let's keep it aside.

MR. DEMPSEY. In that connection, there are a great many agreements in connection with Continental Press. I think all of them have been in the committee's hands before but we brought them all over again, not knowing which ones you might want.

MR. McBRIDE. I think you are familiar with them all, Mr. Halley, are you not? You have been through them.

THE CHAIRMAN. Let's have them all. They will be marked as "Exhibit No. 27."

(The papers identified were thereupon received in evidence as exhibit No. 27, and were later returned to the witness.)

MR. NELLIS. Do you have any records with respect to your divestment of the ownership which you had in Continental Press?

MR. DEMPSEY. They are all included.

MR. NELLIS. Are they included there?

MR. DEMPSEY. Yes.

MR. NELLIS. Do you have books and records of any business or financial dealing with Morris "Mushy" Wexler, Mr. McBride?

MR. GALLAGHER. I don't have any records on him.

MR. NELLIS. Mr. Gallagher, would you please allow the witness to testify?

MR. GALLAGHER. All right.

MR. NELLIS. Thank you. Do you have any?

MR. McBRIDE. No, I have not.

MR. NELLIS. Have you ever had any?

MR. McBRIDE. Yes.

MR. NELLIS. You have no books or records of those transactions?

MR. McBRIDE. No.

MR. NELLIS. Do you have any books or records concerning any business or financial dealings with Martin J. O'Boyle?

MR. McBRIDE. No.

MR. NELLIS. Did you ever have any financial transactions—

MR. McBRIDE.—Yes.

MR. NELLIS. With Martin J. O'Boyle?

MR. McBRIDE. Yes.

MR. NELLIS. Do you have any books or records concerning your financial dealings or transactions with John Fleming?

MR. DEMPSEY. Yes, we have them here.

MR. NELLIS. May they be introduced?

THE CHAIRMAN. Exhibit No. 28 has to do with John Fleming, is that correct?

MR. NELLIS. Yes.

(The papers identified were thereupon received in evidence as exhibit No. 28, and were later returned to the witness.)

MR. NELLIS. Are those all of the records in your possession with respect to Mr. Fleming, Mr. McBride?

MR. McBRIDE. That's right.

Mr. NELLIS. Do you have any books or records concerning any business or financial transactions with James Dunn?

Mr. McBRIDE. No.

Mr. NELLIS. Have you had any financial transactions with James Dunn?

Mr. McBRIDE. Yes, yes.

Mr. NELLIS. Do you have any books or records concerning any financial transactions or other dealings with Anthony Milano?

Mr. McBRIDE. I have no records.

Mr. NELLIS. Have you had any transactions of that nature with Anthony Milano?

Mr. McBRIDE. I think I have.

Mr. NELLIS. Will you produce the records concerning the details of your ownership of the yacht *Wood Duck*?

Mr. McBRIDE. I have none.

Mr. NELLIS. You have no records?

Mr. McBRIDE. No.

Mr. NELLIS. Did you once own the *Wood Duck*?

Mr. McBRIDE. I did; yes.

Mr. NELLIS. Do you have any record or checks or correspondence relating to the purchase by your son Edward of Continental Press Service? Is that included in the previous entry?

Mr. GALLAGHER. Yes.

Mr. NELLIS. Do you have the details of any interest you may have for the years 1945 to date in any news service or distributor of news service?

Mr. McBRIDE. I have none.

Mr. NELLIS. Do you have any records of any financial transactions with respect to a distributor located in the State of Ohio?

Mr. McBRIDE. No.

Mr. NELLIS. Have you had any transactions with such a distributor?

Mr. McBRIDE. That is going back to Morris Wexler, is it not? Is that who you mean?

Mr. NELLIS. I am asking you. Do you have any?

Mr. McBRIDE. No.

The CHAIRMAN. Is that all?

Mr. NELLIS. That is all.

The CHAIRMAN. Mr. McBride, that is all for the present and if we can be advised where Mr. Gallagher and Mr. Dempsey will be, we will get in touch with you when we want you back.

Mr. McBRIDE. Thank you, Senator. Thank you, gentlemen.

The CHAIRMAN. And it will probably be some time this afternoon or, if not this afternoon, in the morning. That is all.

Mr. McBRIDE. Thank you, gentlemen.

Mr. DEMPSEY. Senator, I may say that if any of the members of the staff have any trouble going through the records, we would be glad to assist them to the best of our ability in finding any specific thing they may be looking for.

Mr. NELLIS. Thank you very much, Mr. Dempsey, I appreciate that.

Mr. McBRIDE. I want to make one statement.

The CHAIRMAN. Thank you, Mr. Dempsey.

All right, have a seat.

Mr. McBRIDE. I want to make one statement before I leave.

The CHAIRMAN. Have a seat.

Mr. McBRIDE. I never have been engaged in any criminal activity of any kind.

The CHAIRMAN. All right. We will let you know when we want you back, Mr. McBride.

Our next witness this afternoon will be Mr. Sutton.

The Committee will stand in recess until 15 minutes of 2.

(Thereupon, at 12:20 p. m., a recess was taken until 1:45 p. m., this day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

I believe that Mr. Alvin G. Sutton, the Director of Public Safety of Cleveland, Ohio, is our next witness.

Mr. Sutton, will you come around?

Do you solemnly swear the testimony you give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. SUTTON. I do.

The CHAIRMAN. All right, Mr. Nellis.

TESTIMONY OF ALVIN G. SUTTON, DIRECTOR OF PUBLIC SAFETY, CLEVELAND, OHIO

Mr. NELLIS. Mr. Sutton, do you have a statement prepared for this committee?

Mr. SUTTON. I do.

Mr. NELLIS. Would you prefer not to be interrupted during the course of it, or would you mind interruptions during the course of your statement?

Mr. SUTTON. I would not mind being interrupted during the course of the statement.

Mr. NELLIS. Proceed, please.

Mr. SUTTON. Mr. Senator, the city of Cleveland prior to 1920 was a growing metropolis with a cosmopolitan population just under 800,000 people in a varied industrial pattern. It was a steel town, a shipping town, and a leader in varied manufacturing lines. Eighty percent of its people as late as the thirties was foreign-born or first generation American.

Gang activities and crime were not organized. From the day the National Prohibition Act was enacted January 16, 1920, until its repeal December 5, 1933, Cleveland went through an era of mob violence, gang slayings, hijacking, bootlegging, and racket wars.

Out of the prohibition period came the same kind of city-wide and regional and even interstate gang organizations that plagued other major cities. Rival gangs fought for supremacy. They hijacked each other's liquor loads. Murder became a standard tool for all the illegal gangs as they fought for territories, for sources of supply, trucks, boats that ran the liquor blockade on the Lakes, and for the upper hand among hoodlums, gunmen, drivers, and gangsters.

At the top of Cleveland's bootleggers were Morris Kleinman, Lou Rothkopf, Moe Dalitz, Sam Tucker, and Maxie Diamond. They were at the helm of the board of directors. They had their suppliers of Canadian whisky, and their salesmen and thugs to distribute contraband and to reap the harvest of money.

Their employees were the O'Boyles, "Soldier," and the late Marty O'Boyle; Solly Hart; the late Morrie Komisarow, the late Ben Nadel; Harry Brenner, George Angersola, who was also known as George King.

Ruthless beatings, unsolved murders and shakedowns, threats and bribery came to this community as a result of gangsters' rise to power.

Kleinman and others of his ilk weathered the 13 years of warfare. Only the United States Government income-tax investigators were able to bring him down.

Mr. NELLIS. Director Sutton, may I ask a question at that point?

Mr. SUTTON. Yes.

Mr. NELLIS. You are referring to the names of these people who are the same persons that are missing, as far as this committee is concerned; is that right?

Mr. SUTTON. That is correct. Lou Rothkopf, Morris Kleinman, Sam Tucker, and Moe Dalitz, also known as Moe Davis.

Mr. NELLIS. And the chairman of this committee announced yesterday that these people have been evading these subpoenas.

Mr. SUTTON. That is correct. The entire police department has been looking for these people in the city of Cleveland and in the suburbs. I know that personally.

Kleinman, Dalitz, Rothkopf, and others on their roster of hoodlums had escaped punishment until then, although questioned many times by authorities.

A dozen other killings were strung out along the road to riches, which took Kleinman up to a gross income in 1929 of approximately \$931,000.

Many of those killed along that road had been Kleinman's rivals. And some were his allies in the old bootleg war.

Kleinman dominated his field. His influence was so great that at one time he was credited with dividing the town, telling the wholesalers what their territories and boundaries were, and making them stay within them.

The inner circle of this disciplined mob, when repeal took away their source of money—bootleg whisky—went into big gambling operations, as they did in so many other cities. They set up big crap games, casinos, and bookie joints, starting in the heart of the city.

The Miller boys—"Game Boy," Dave, and "Elky," John Angersola, Tommy McGinty, John Croft, and Lester Wilson and a new set of underlings joined in the new field of the high command.

Now they plundered the purses of the citizens via the crap table and the horse bet, instead of the hip flask of the prohibition era. Their places in the heart of the city on Prospect Avenue, at Playhouse Square and on West Twenty-fifth Street did not stay long, for a series of clean government administrations drove them out to the more tolerant suburbs—Maple Heights, Newburgh Heights, and farther east.

When Governor Lausche was judge, Eliot Ness, safety director, and Frank T. Cullitan, county prosecutor, these strict enforcement officials cracked down on the gamblers and made even the suburbs within Cuyahoga County too hot for the gambling houses.

Mayor Burke was assistant county prosecutor at that time. He helped to put out of business the Harvard Club and Thomas Club.

These moves, and the coming of Sheriff Joe Sweeney to office in the early 1940's, drove the gamblers out into the rural neighborhoods. The whole State became uncomfortable when Frank Lausche became Governor. To hedge against Governor Lausche's State-wide clean-up, they bought into the gambling casinos in liberal-minded Newport and Covington, Ky., and their surrounding counties, Kenton and Campbell. There they used local gamblers and a few of their lieutenants as fronts. There again they could enjoy official toleration in a place close to a rich metropolis. There again they could rake in their big slice of the money from a big center of industry and trade. Now they have gone out to Las Vegas to enjoy some of the juicy profits that can be brought in from rich Los Angeles, a short air hop away.

Back in Cleveland, the old sailors, truckers, and peddlers, left behind by their old bosses, looked around for a new source of illegal income. They wanted to find something that would pay good wages again in return for threats, sluggings, and bribery.

The old mob fastened itself on policy and clearinghouse operators. The late "Bon-Bon" Alegetti came here from Chicago to help in setting up the system.

Clearinghouses games were first introduced here in 1923 by Harry "Pony Boy" Weinzimmer. This numbers game was an import from New York. Policy was played on plantations and in cities of the South such as Memphis, Mobile, and New Orleans. When Cleveland became one of the major centers for building war goods for the First World War, thousands of colored workers were brought here. Policy came along and the colored people kept this to themselves until prohibition ended.

That was when the "muscle men" of the old bootleg days moved in: George Angersola, Angelo Sciria, Angelo Lonardo, Vincent Dylinski, Chuck Polizzi, Shondor Birns, John DeMarco, and others applied to numbers the methods they had used in the liquor traffic.

Again there were gang-style murders. Still unsolved are the murders of Clarence Murphy, James McDonald, Willie Wiggins, Fred Capello, and others. There were shootings and sluggings. By the time the city had begun to get a thorough taste of these business methods, it was the old sailors and truckers, and the peddlers from the moonshine mobs who held control of all the numbers rackets.

A Federal investigator, Eliot Ness, was chosen as safety director by Mayor Harold Burton, now a United States Supreme Court Justice. Ness began in 1938 an investigation that ended in 1942, with 23 persons indicted for extortion. County Prosecutor Cullitan fought these cases and won convictions against 13 and a guilty plea from a fourteenth. Three cases were nolleed. Two of the cases nolleed were lost because the defendants stayed away until essential witnesses were no longer available. These were the cases of Nick Satulla and Vince Dylinski.

Among those convicted were George Angersola, Angelo Lonardo, heir to a corn-sugar fortune, Milton Rockman, and Angelo Sciria, the boss of the gang, who gave up after a long hide-out in Mexico.

Others acquitted were Shondor Birns, Chuck Polizzi, John Angersola, and Frank Hoge, a white numbers operator who cooperated with the gang.

Ness uncovered also, in his terms under Mayors Burton, Blythin, and Lausche, some bribe-taking policemen. One of the officers who

helped Director Ness to investigate the numbers mess was Lt. Ernest Molnar. Molnar learned that policy and clearinghouse were not just penny games but a big-scale racket worth millions to anyone who could get control of it.

Molnar knew that no established racket can operate without an agreement with some local law enforcement agency. He saw how he could take over control of numbers and get the money rolling his way, now that Ness and Cullitan had smashed up the gang and broken its hold on the games. He moved on to the throne. He was recently packed off to the Ohio State Penitentiary, convicted of bribe-taking.

Mr. NELLIS. Director, may I interrupt at that point? Did you have anything to do with that investigation which led to Lieutenant Molnar's conviction?

Mr. SUTTON. Yes, sir.

Mr. NELLIS. Will you tell us about that, please? Or would you rather finish your statement at this time?

Mr. SUTTON. I would like to finish the statement, please.

Mr. NELLIS. Please proceed.

Mr. SUTTON. Neither houses of prostitution nor gambling spots, or any racket, including numbers, can carry on full force without pay-offs going to some one or more of the officials charged with the duty of enforcing the law—whether police, sheriffs, prosecutor, or other agents of the public.

Policy and clearinghouse games still exist here, but there is continuous, equal, and fair enforcement of laws against these rackets, and the violations are being kept to a minimum. The same is true of bookmaking. The same is true of prostitution. I don't believe these evils can be completely eradicated, but they can be held down and kept from becoming big, well organized, and entrenched.

I am proud to point out that the trend of crime in Cleveland has been downward. The Cleveland Police Department is one of the finest in the country. I know that there are still a certain few men that are willing to tarnish their badges by tolerating these vices—for a price. However, they make up scarcely 1 percent of our police force. For every one who will take money, there are 100 who will take a bullet.

Cleveland, I believe, can boast that it has stamped out almost all of the vestiges of the old gunmen and their dirty houses of ill fame and their bootlegging and their shake-down games. Many of the old gangsters have left to find easier pickings in cities which have looser ideas of law enforcement.

Mickey Cohen is a recent example. He was a moderately successful boxer here. Another old fighter, Morris Kleinman, who twice won national amateur boxing titles, liked Mickey. Mickey went along on a faked holdup with a restaurant cashier and a more experienced hoodlum. He got caught, convicted of embezzlement, and was put on probation. The court probation officers kept a watch on him. He finally headed west. There Kleinman and Lou Rothkopf and old friends of theirs have helped Mickey to rise to heights of notoriety, at least.

Other former crooks still make their homes here and put their money in legitimate enterprises here as well as in other States. Many have put on clean collars and silk gloves, and they carry on more smoothly the business of grabbing dollars wherever they can—wheth-

er hard earned by hard-working citizens or illegally won by less powerful racket men.

Through Mickey Cohen, Kleinman, Dalitz, and Rhody, the Angersola brothers and their pals, the phrase "the Cleveland Gang" is known from coast to coast and from the Great Lakes to the Gulf. It gives a false impression, as if Cleveland's sidewalks were crowded with armed killers.

Actually, it was the constant pressure of strong law enforcement that drove these men away and brought them to the attention of far-away cities. Had Cleveland been a city of pantywaist police work, the Cleveland Gang would have stayed in Cleveland.

Racketeers may still make their headquarters here, but they have to set up shop somewhere else if they are going to make any money.

That is just what they are doing. From a bunch of down-at-the-heel roughnecks, just out of prison or just out of court and with their shake-down system broken up, a handful of these men have in a few years become rich. We want to know why, and with whose help. Mickey Cohen is one of these. The Angersolas, the Polizzis, and many more were not at all prosperous a few years ago. They are all launched in big business. We want to trace back the source of their wealth and power.

It was exactly because of honest police work that these hoodlums had to move out into interstate operations. We are in the happy situation of having driven them out, but their nefarious plans are still hatched here. In this respect we are unique. We are determined to destroy their illegal empires even though they are no longer permitted to operate within our city or county.

That is all, Senator.

The CHAIRMAN. A very splendid statement, Mr. Sutton.

All right, Mr. Nellis.

Mr. NELLIS. Thank you, Mr. Chairman.

Director, you referred during the course of your statement to the case of one Lt. Harry Molnar, is that correct?

Mr. SUTTON. Ernest Molnar.

Mr. NELLIS. Ernest Molnar. You made reference to the fact that he was convicted of corruption in connection with activities in the numbers racket, is that right?

Mr. SUTTON. That's right; yes.

Mr. NELLIS. Would you please tell us a little bit about your background and the facts, if they are that, concerning your investigation of that case?

Mr. SUTTON. Well, rumors had been going around Cleveland in law-enforcement circles that Lieutenant Molnar was connected in the clearinghouse and policy business. And based on those rumors, when I left the FBI and came to work at city hall, an investigation was started. As a result of the investigation, Lieutenant Molnar was convicted of giving police protection to a certain few policy operators.

The way he operated was, he had always a large number of arrests but he was driving out a certain few and driving business to others, purposely to build up the income of certain operators. Yet he would have a number of arrests and would be doing a fine job as far as the number of arrests but it wasn't even, equal. Law enforcement must be—

Mr. NELLIS. And he was convicted on the basis of that evidence and other evidence connecting him financially with these racketeers?

Mr. SUTTON. Yes, sir.

The CHAIRMAN. Mr. Sutton, you impress me as being a very honest and hard working and serious director of public safety here. Will you tell us something about your qualifications? How did you get into this job, anyway?

Mr. SUTTON. I was with the FBI for a little over 7 years, and I was contacted by the mayor to go down to city hall, and he didn't ask me whether I was a Democrat or Republican, and he said that he was interested in having good law enforcement and he was concerned about the rumor on this Lieutenant Molnar.

He said, "Al, I want you to do a good job. We have ability in our police department."

I have been down there ever since.

The CHAIRMAN. How long has that been?

Mr. SUTTON. Three years.

The CHAIRMAN. You received your training in the FBI, largely?

Mr. SUTTON. Yes.

The CHAIRMAN. And you have gone after the matter vigorously ever since you have been appointed?

Mr. SUTTON. I believe so; yes.

The CHAIRMAN. You said that back in the rough days that these people engaged in extortion of various kinds. What kind of extortion was it?

Mr. SUTTON. Intimidation. In other words, as soon as the prohibition era went out, Angelo Sciria and these individuals, Angelo Lonardo and Chuck Polizzi, and so forth, they would go around to the various policy operators and clearinghouse operators and intimidate them. They would come in with guns right in their hands out clear. They would go into the policy houses and say, "Look, from now on you are paying us \$100 a week, or \$200 a week," and, therefore, they controlled all the various clearinghouse operators and policy operators by that force and that threat.

The CHAIRMAN. How about intimidation of legitimate businesses and businessmen? Have you found any of that?

Mr. SUTTON. No, I have not.

The CHAIRMAN. You said that the Cleveland Police Department is one of the finest in the country, and from what I have heard and what I know up to this point, I am willing to agree with you. You certainly have some very fine officers there.

You said that you had ferreted out, you thought, everybody who would take money, but there might still be 1 percent who would take money rather than a bullet. Why can't you get rid of that 1 percent? Or do you know who they are?

Mr. SUTTON. I know who some would be of that 1 percent, yes, but before I can move in to a grand jury I must have my case made, and that takes long periods of time of investigation. In other words, like the Molnar investigation took a year just on that one individual.

The CHAIRMAN. Anyway, you have your idea of who these derelict ones are?

Mr. SUTTON. Yes. Not all of them.

The CHAIRMAN. Whenever you can get your case ready—

Mr. SUTTON. They will go right to the grand jury.

The CHAIRMAN. That is a very fearless and splendid attitude to take, Director Sutton.

Mr. SUTTON. Thank you.

The CHAIRMAN. Mr. Director, you have talked about a lot of people, and they would seem to be the same fellows that we and the Sergeant at Arms of the Senate have been trying to serve subpoenas on. Suppose we go over the list and see who these fellows are and which ones reside in Cleveland.

Here is John Angersola alias King. He is one of the operators we have talked about, isn't he?

Mr. SUTTON. That is Florida. He formerly was here in Cleveland.

The CHAIRMAN. Now he lives in Miami Beach?

Mr. SUTTON. That is correct.

The CHAIRMAN. So he has gone to Miami. And then you have got George Angersola alias King. Where has he gone?

Mr. SUTTON. George is in Florida. Oh, he does spend a month or two up here in Cleveland.

Mr. NELLIS. He does have a home here, does he not?

Mr. SUTTON. Yes. His sister's home, East Thirty-eighth Street, I think it is.

The CHAIRMAN. Are you aware of the fact that these King boys have also been in the hotel business in Florida with fellows from a good many other States, and casino businesses with people from other States?

Mr. SUTTON. Yes, sir.

The CHAIRMAN. Can our Florida report—I suppose you have seen the interim report on Florida; you see the connection between the gambling operations and also the hotel operations where your people and some people from Detroit, and New York, Chicago, and other places have gotten together. You have seen that, haven't you?

Mr. SUTTON. Yes.

The CHAIRMAN. How about Moe Dalitz? Where does he live?

Mr. SUTTON. His home is in Detroit. However, he does spend time here in Cleveland because he has a linen company here in town and he also has two or three in Detroit.

Mr. NELLIS. Isn't he originally from Cleveland, Director Sutton?

Mr. SUTTON. Yes, sir; but Detroit and Cleveland, he has been spending his time between those two cities for the last 30 years.

The CHAIRMAN. Is this a big linen company that he has?

Mr. SUTTON. The Pioneer Linen Co.

The CHAIRMAN. Is he the sole owner?

Mr. SUTTON. No. He is in with—I may stand corrected—Maschke.

The CHAIRMAN. Who is he?

Mr. SUTTON. He is the son of the late GOP head of Cleveland. Maurice Maschke, I believe the name was.

The CHAIRMAN. Does Dalitz have a substantial criminal record?

Mr. SUTTON. No. There is something about Moe Dalitz or Moe Davis. As far as I know, he has never been arrested. He was sought once in Buffalo, N. Y., on a bootleg charge, but I do not know the outcome of it.

The CHAIRMAN. How about Samuel T. Haas?

Mr. SUTTON. He is a Clevelander, and he left just a few days before your committee got here, or the day your committee arrived.

The CHAIRMAN. What does he do?

Mr. SUTTON. He is an attorney. Never practices in a courtroom, though. You will never see him in a courtroom.

The CHAIRMAN. Do you know where he went to?

Mr. SUTTON. No. Just rumors, Senator. Jamaica is one spot that a very close friend of his advised us.

The CHAIRMAN. Why would he be leaving town?

Mr. SUTTON. I don't think he would like to face the committee. I think there are too many questions that could come before him and he would like to prefer people to suspect that he is connected with certain people rather than to know.

The CHAIRMAN. How about Morris Kleinman?

Mr. SUTTON. Morris Kleinman is another individual. He has got one conviction. The United States Government, I believe, in 1931, for income tax.

He is an individual here in town that is looked up to by a good many people that are up in the upper part of—we will say the social standing in the community. He is an individual that will deny that he is connected with any gambling establishments, and so forth, and frowns on any publicity that might come his way. Yet he brought it on himself by his nefarious jobs that he has been in since 1924.

The CHAIRMAN. What are these nefarious jobs, do you know?

Mr. SUTTON. Well, he was the king of the bootleggers in the northern district of Ohio. When he was caught by Uncle Sam in 1931, in trying to explain his income, he would state that he lost this boat that was worth \$30,000, and he had \$100,000 worth of whisky on it. That is a loss. And I believe there were about 13 or 14 losses that he had like that, and that is what forced him to show his hand as the king of bootleggers.

The CHAIRMAN. You don't mean that 1 year he made nine-hundred-and-thirty-odd-thousand dollars?

Mr. SUTTON. That is correct. 1929.

The CHAIRMAN. Where else did he operate besides here?

Mr. SUTTON. He operates in Kentucky with Moe Dalitz and Sammy Tucker.

The CHAIRMAN. Operates what in Kentucky?

Mr. SUTTON. Gambling casinos, the Lookout House, and a few others there. He also operates the Desert Inn out there in Las Vegas with Sammy Tucker and Moe Dalitz and Rothkopf and also Tommy McGinty.

The CHAIRMAN. Does Kleinman operate in Florida, do you know?

Mr. SUTTON. I do not know.

The CHAIRMAN. Where is Mr. Kleinman?

Mr. SUTTON. Mr. Kleinman is on the duck.

The CHAIRMAN. Has the police department been looking for him?

Mr. SUTTON. Diligently. Not only that, the sheriff's office has been cooperating, and there is an alarm out there. It has been out for about three weeks, looking for Morris Kleinman.

He fled just before your committee came in town, also.

The CHAIRMAN. Do you know where he went?

Mr. SUTTON. Well, the rumors are that he is in a lodge up in Nevada along with his partner Louis Rothkopf, Lou Rhody.

The CHAIRMAN. That is Louis Rothkopf. What does he do? Does he live here?

Mr. SUTTON. He lives just outside of Cleveland—outside of Cuyahoga County.

The CHAIRMAN. What is his operation?

Mr. SUTTON. His operation? He is a gambler. He is a partner of Morris Kleinman in those gambling casinos in Kentucky. Also reported to be in various legitimate businesses such as, say, black-market steel companies; we will call them legitimate.

He is also involved in the Desert Inn. He is a very close friend of Mickey Cohen, and a very strong supporter of Mickey Cohen.

The CHAIRMAN. What are the so-called legitimate businesses that you know of your own knowledge that he is in?

Mr. SUTTON. Senator, at the moment I cannot answer that question. I can't recall.

The CHAIRMAN. Is he with Kleinman and Davis down in the Kentucky places?

Mr. SUTTON. Yes; he is.

The CHAIRMAN. Have you tried to find him around here?

Mr. SUTTON. We have made diligent search for him. We have been out to his home practically every day in the last 3 or 4 weeks. He was in town the day your committee was here.

The CHAIRMAN. The day Mr. Nellis arrived?

Mr. SUTTON. Yes.

The CHAIRMAN. How about Morris Wexler? What does he do?

Mr. SUTTON. Mushy Wexler runs the Theatrical Grill. It is located on Vincent Avenue here.

He is head of the Empire News Service, which receives its information from the Continental Press. His information that he receives from the Continental Press is in turn sold to certain legitimate people, but mostly to bookmakers.

We have made diligent searches for Mushy Wexler, also. Negative results.

The CHAIRMAN. Well, does he have a criminal record; do you know?

Mr. SUTTON. He has never been arrested. No criminal record.

The CHAIRMAN. Is he reputed to be one of the fellows you were talking about, back in the racket days?

Mr. SUTTON. Yes; he was in with the newspapers and came up the hard way. Then, all of a sudden, came out with money and legitimate places.

He was a partner also of Shondor Birns in the Theatrical Grill.

The CHAIRMAN. Is he in these Kentucky places?

Mr. SUTTON. Not that I know of.

The CHAIRMAN. How about Samuel "Game Boy" Miller? Have you been trying to find Wexler around, first?

Mr. SUTTON. Yes; we have.

The CHAIRMAN. Do you know where he is?

Mr. SUTTON. The last report, that he was on a yacht off the coast of Florida.

"Game Boy" Miller—

The CHAIRMAN. What is the name of that yacht? Do you know?

Mr. SUTTON. I do not know.

The CHAIRMAN. How about "Game Boy" Miller? Does he live here?

Mr. SUTTON. He is the brother-in-law of Mushy Wexler. He has been spending most of his time in recent years in Florida.

He is a gambler and worked in the bootleg days; came up that way.
The CHAIRMAN. Have you tried to find him?

Mr. SUTTON. We have made searches for him, but we feel that he isn't in town and hasn't been in town in recent months.

The CHAIRMAN. And here is Samuel Tucker. Does he live here?

Mr. SUTTON. Sam Tucker. I do not think he lives here in Cleveland. I am positive he doesn't. I do not know where he lives, though.

The CHAIRMAN. Are Brink and Croft and Levinson from here?

Mr. SUTTON. Brink and Croft are former Clevelanders, but they have been out of Cleveland for some time.

The CHAIRMAN. They are in Kentucky?

Mr. SUTTON. That is right.

The CHAIRMAN. How about Levinson?

Mr. SUTTON. He is in Kentucky, not Cleveland.

The CHAIRMAN. And we know about Mickey Cohen; we saw him in Los Angeles.

Now, are the Milano boys from here?

Mr. SUTTON. Yes. Frank Milano is living in Mexico, and he has been living there for the last five or six or more years. He has a home in Akron, Ohio.

The CHAIRMAN. What does Frank Milano do in Mexico?

Mr. SUTTON. He has a coffee plantation, and he is suspected of a number of operations, helping to smuggle in various individuals that have been deported, deported for various vices, such as dope, hop, and so forth.

The CHAIRMAN. Well, wasn't he faced with some income-tax problem, and went down to Mexico about that time?

Mr. SUTTON. As I recall it, yes. He fled to Mexico.

The CHAIRMAN. When was that? Do you know?

Mr. SUTTON. I believe it was about 7 or 8 years ago.

The CHAIRMAN. Who is it that has a large ranch down in Arizona right now?

Mr. SUTTON. Licavoli.

The CHAIRMAN. Is he related to Milano?

Mr. SUTTON. No, I don't believe they are related.

The CHAIRMAN. Don't they operate together in some way?

Mr. SUTTON. Yes, sir.

The CHAIRMAN. How do they operate together?

Mr. SUTTON. Asking for various favors, whether they can assist in obtaining certain material, or help to obtain money, by various enterprises.

The CHAIRMAN. Where is the other Milano?

Mr. SUTTON. We have two here in town. One is Jerry. That is a nephew of Frank Milano.

Then Tony Milano has the Brotherhood Loan Co. out here on Mayfield Road, and also other legitimate companies, import-export companies.

The CHAIRMAN. There is some connection between him and Mickey Cohen; isn't there?

Mr. SUTTON. Yes; very close.

The CHAIRMAN. What is that? Do you know?

Mr. SUTTON. I know that they are in telephonic communication quite a bit. Just as it links up with Mickey Cohen and Shondor Birns,

Lou Rothkopf and Shondor Birns, Morris Kleinman to Lou Rothkopf, Lou Rothkopf to Sam Haas. It is all interlinked.

The CHAIRMAN. Now, in connection with Milano and Licavoli, isn't there some chap used to be around over at Youngstown, who came from Cleveland, who has been about to be deported for some time?

Mr. SUTTON. Yes. That is Frank Cammarata. He is the brother-in-law of Pete Licavoli.

The CHAIRMAN. What does he do?

Mr. SUTTON. Right now, I think he is in good hands, because the chief of police down there, Ed Allen, has been on his neck continually since he has been down there.

The CHAIRMAN. Any other questions?

Mr. NELLIS. Mr. Chairman, I would like to introduce these criminal records to which you referred in earlier testimony, of John Angersola, alias King.

The CHAIRMAN. Well, let that be exhibit No. 29. We might as well put it in that way.

It appears to be taken from the police records of the Cleveland bureau.

You are familiar with them?

Mr. SUTTON. Yes, sir.

The CHAIRMAN. All right.

(The paper identified was thereupon received in evidence as exhibit No. 29, and appears in the appendix on p. 453.)

Mr. NELLIS. Exhibit No. 30, George J. Angersola, alias King.

The CHAIRMAN. That is exhibit No. 30.

(The paper identified was thereupon received in evidence as exhibit No. 30, and appears in the appendix on p. 454.)

Mr. NELLIS. Exhibit No. 31, Lou Rothkopf, alias Lou Rhody, alias John Zarumba.

The CHAIRMAN. Exhibit No. 31.

(The paper identified was thereupon received in evidence as exhibit No. 31, and appears in the appendix on p. 455.)

Mr. NELLIS. The record of Morris Kleinman.

The CHAIRMAN. Exhibit No. 32.

(The paper identified was thereupon received in evidence as exhibit No. 32, and appears in the appendix on p. 455.)

Mr. NELLIS. And Samuel A. Tucker.

The CHAIRMAN. Exhibit No. 33.

(The paper identified was thereupon received in evidence as exhibit No. 33, and is on file with the committee.)

The CHAIRMAN. Mr. Director, we appreciate your cooperation, and the energetic work you are doing here.

Do you feel that you and the local people stay right on top of this thing; that you can pretty well keep it under control?

Mr. SUTTON. As long as we are on the offensive and not sitting back waiting for something to get entrenched.

The CHAIRMAN. Do you have any suggestions as to how the United States Congress, within Federal jurisdiction, can be of any assistance to good law-enforcement officers like yourself?

Mr. SUTTON. Not at this time. I would like to discuss the matter before you leave the city, Senator.

The CHAIRMAN. Well, we would be glad to have your recommendations anytime. We thank you for your appearance here, and for your very splendid statement.

Mr. SUTTON. Thank you.

The CHAIRMAN. Let Mr. McBride come back around.

**FURTHER TESTIMONY OF ARTHUR B. McBRIDE, CLEVELAND, OHIO,
ACCOMPANIED BY WALTER GALLAGHER AND WILLIAM DEMPSEY,
ATTORNEYS, WASHINGTON, D. C.**

Mr. NELLIS. Mr. McBride, you have been previously sworn.

Mr. McBRIDE. That is right.

Mr. NELLIS. Where were you born, Mr. McBride?

Mr. McBRIDE. Chicago.

Mr. NELLIS. What year?

Mr. McBRIDE. 1886.

Mr. NELLIS. And in what year did you come to Cleveland?

Mr. McBRIDE. 1913.

Mr. NELLIS. And what was your business at that time?

Mr. McBRIDE. I was circulation manager of the Cleveland News.

Mr. NELLIS. And how old were you about then?

Mr. McBRIDE. About 24 or 25.

Mr. NELLIS. Was there a strike situation in the city of Cleveland at the time you came here?

Mr. McBRIDE. No; there was not.

Mr. NELLIS. None in the taxicabs at that time?

Mr. McBRIDE. I wasn't in the taxicab business at that time.

I was circulation manager of the Cleveland News at that time. That was in 1913.

Mr. NELLIS. Oh, I see. And what were your duties as circulation manager of the Cleveland News?

Mr. McBRIDE. Well, to see that the papers were distributed to the homes, to the stores, to the newsboys, and also to see that they got out on schedule.

We had a schedule to make trains, and we had our country agents that we had to supply, we had to make our schedule according to the trains that left for country towns.

Mr. NELLIS. Did you have what is commonly known as a circulation war at that time, or shortly after?

Mr. McBRIDE. We had trouble.

Mr. NELLIS. With whom?

Mr. McBRIDE. Oh, I don't know. The Plain Dealer, particularly.

Mr. NELLIS. Pardon me?

The CHAIRMAN. The Plain Dealer, particularly.

Mr. NELLIS. And what was the nature of that trouble, Mr. McBride?

Mr. McBRIDE. Well, they were chasing our boys off the corners; wouldn't let them handle it in Cleveland.

Mr. GALLAGHER. Senator, I would like to ask a question at this time. In the light of the subpoena and our understanding as counsel of Mr. McBride as to what was going to be inquired into, I cannot see what relevancy or pertinency there is in what happened between the Cleveland News and the Plain Dealer back in 1913 or 1920.

The CHAIRMAN. Well, I think as it goes on you will see the pertinency of it, Mr. Gallagher.

Mr. NELLIS. May I have the last question?

The CHAIRMAN. Go ahead.

Mr. NELLIS. Did you testify that there was some trouble with the Cleveland Plain Dealer at that time?

Mr. McBRIDE. Yes, but I didn't have it.

Mr. NELLIS. Well, what kind of trouble was it?

Mr. McBRIDE. There was a man by the name of Ragen, and he was circulation manager of the Leader, and I was circulation manager of the News.

Ragen was the one that had trouble with the Plain Dealer, not McBride.

Mr. NELLIS. Was that James Ragen?

Mr. McBRIDE. James Ragen; yes.

Mr. NELLIS. Now, when did you first meet "Muscle Tony" Civetta?

Mr. McBRIDE. "Muscle Tony" Civetta?

Mr. NELLIS. Do you know one Anthony Civetta?

Mr. McBRIDE. I know Tony. I don't know whether I know Anthony or not.

Mr. NELLIS. Well, do you know Tony Civetta?

Mr. McBRIDE. I know Tony.

Mr. NELLIS. Did you ever hear that he was called "Muscle Tony?"

Mr. McBRIDE. I don't know. I might have and might not have.

Mr. NELLIS. Do you know Al Polizzi?

Mr. McBRIDE. Definitely.

Mr. NELLIS. Do you know John Angersola, alias King?

Mr. McBRIDE. Very well.

Mr. NELLIS. George Angersola?

Mr. McBRIDE. Very well.

Mr. NELLIS. Same alias.

Mr. McBRIDE. Very well.

Mr. NELLIS. Fred Angersola?

Mr. McBRIDE. Very well.

Mr. NELLIS. Mushy Wexler?

Mr. McBRIDE. Very well.

Mr. NELLIS. Aren't these men who were associated with you at the time of those wars between the Plain Dealer and the paper of which you were circulation manager?

Mr. McBRIDE. We had no trouble. The News had no trouble with the Plain Dealer. The Leader was the one that had the trouble. That is what you are driving at, is it not?

Mr. NELLIS. Well, were they associated with you at that time?

Mr. McBRIDE. I think Mr. Polizzi sold papers at that time, and that was an afternoon paper at Ninth and Woodland.

Now, Johnny King——

Mr. NELLIS. Was he employed——

Mr. McBRIDE. No; wait just a minute. He wasn't employed. All he made was his commissions on the paper.

Mr. NELLIS. Was he employed by you?

Mr. McBRIDE. No.

Mr. NELLIS. By whom was he employed?

Mr. McBRIDE. I don't think so. He sold papers, and the profits he made he kept. In other words, at that time, I think the papers were two for a cent. They sold for a penny, and they kept half the profits.

Mr. NELLIS. Is that also true of Johnny King?

Mr. McBRIDE. Johnny King, the first time I met with him, he was cleaning buildings.

The May Co. building, right over here, I stopped on the street and I said, "Who is doing this job?" He said, "My brother-in law and I."

I said—

Mr. NELLIS. About what year was that?

Mr. McBRIDE. I would say about 1918; in that neighborhood.

Mr. NELLIS. Did you also know Anthony Civetta at that time?

Mr. McBRIDE. No; I never knew Anthony Civetta until he was driving cab.

Mr. NELLIS. When was that?

Mr. McBRIDE. About 1933 or 1934.

Mr. NELLIS. How about Mushy Wexler? When did you first meet him?

Mr. McBRIDE. I know Mushy Wexler since 1915, I imagine, or 1916, maybe 1913.

Mr. NELLIS. He worked for you?

Mr. McBRIDE. Sold papers.

Mr. NELLIS. When you were circulation manager?

Mr. McBRIDE. Yes.

Mr. NELLIS. Of the—

Mr. McBRIDE. News.

Mr. NELLIS. News. What were his duties?

Mr. McBRIDE. His duties was, we had corners. I don't recall just what corner, I think it was the Leader corner. He had had corners downtown. Then from there he developed to a driver.

Mr. NELLIS. Did it ever come to your attention that there was violence on the steets of Cleveland at the time of this circulation war?

Mr. McBRIDE. What do you mean by violence? We never had no trouble as far as violence is concerned in the News and Press.

Mr. NELLIS. I asked you whether you heard that there was violence on the streets of Cleveland.

Mr. McBRIDE. Between the Leader and the Plain Dealer.

Mr. NELLIS. Would you allow me to finish my question?

Mr. McBRIDE. Yes.

Mr. NELLIS. Did you ever hear that there was violence on the streets of Cleveland with respect to the circulation war that took place at that time?

Mr. McBRIDE. I don't know what you mean by circulation war.

Mr. NELLIS. Did you ever hear of that?

Mr. McBRIDE. Well, just give it to me more definite. What do you mean by circulation war?

Mr. NELLIS. All right, sir. Did you ever hear that certain strong-arm individuals were hijacking trucks belonging to other newspapers, distributing the papers over the streets, and beating up the boys running the trucks of the rival newspapers?

Mr. McBRIDE. Are you talking about the News now or the Leader or the Plain Dealer or the Press? Which are you talking about?

Mr. NELLIS. I am talking of all three of them. Did you ever hear of it?

Mr. McBRIDE. I heard there was a little trouble but I don't think it was that serious. I think all it was, was two boys competing on corners, and then later on they did have trouble between the Leader and Plain Dealer.

Mr. NELLIS. Isn't it a fact that after your arrival in Cleveland, you hired these strong-arm artists like John Angersola.

Mr. McBRIDE. John Angersola never sold papers that I know of.

Mr. NELLIS. Mushy Wexler, Al Polizzi, and Chuck Polizzi? Do you know him? I forgot to ask you.

Mr. McBRIDE. Yes; I know Chuck.

Mr. NELLIS. How long have you known him?

Mr. McBRIDE. Maybe 20 years, 25 years.

Mr. NELLIS. What is his business, Mr. McBride?

Mr. McBRIDE. I couldn't tell you. I think he sells coal, to the best of my knowledge.

Mr. NELLIS. Didn't you employ Al Polizzi, Mushy Wexler, and Chuck Polizzi at that time?

Mr. McBRIDE. No.

Mr. NELLIS. They were not under your employ?

Mr. McBRIDE. Now, wait. Mushy Wexler sold papers. He made the profit on the papers. Later on he developed into a wagon driver. Then I employed him when he drove a wagon.

Mr. NELLIS. How about Al Polizzi?

Mr. McBRIDE. Al Polizzi sold papers, and I don't remember him driving a wagon. He might have drove one but I don't know. As far as Chuck is concerned, I don't know what he done in them days.

Mr. NELLIS. Isn't it a fact that Al Polizzi did drive wagons for you?

Mr. McBRIDE. I don't know. You would have to ask him that question. I can't remember.

I would like to clean up Johnny King while we are at it a little further.

Mr. NELLIS. Pardon me.

Mr. GALLAGHER. Permit the witness to make a statement.

Mr. NELLIS. What is the statement about?

Mr. McBRIDE. Johnny King, my first acquaintance was, Johnny King, him and his brother-in-law or he and his brother-in-law were cleaning the May Co. building over here. I had owned two buildings, one at Sixty-fifth and Hough and the other at East Boulevard and Superior.

I inquired. I went over. I seen they done a good job, so I said to the boy—Johnny was a boy at that time—I said, "Who is the boss here?"

He said, "The fellow up on the ladder."

I said, "Will you call him down?"

He did. I said, "How would you like a job? Would you mind going out to—would you care to clean another building?"

He said, "Sure, fine, I am looking for work."

I said, "Would you mind going to Sixty-sixth and Hough and give me a figure on that building?" It was called the Gary Apartments at that time.

So they went out and he give me a figure, I think, of \$400, so I had him clean the building. They done an excellent job. And from there on I gave him another building which was at East Boulevard and Superior.

MR. NELLIS. Now Mr. McBride, you are speaking of John Angersola.

MR. McBRIDE. That's right.

MR. NELLIS. Do you know the record that Mr. Angersola has managed to accumulate in the past 30 years? Are you aware of it?

MR. McBRIDE. I think he was sent away one time.

MR. NELLIS. Do you know that he has been arrested approximately 18 times?

MR. McBRIDE. I don't know about that. Any man can be arrested. That don't mean that he was convicted.

MR. NELLIS. Do you know that he was arraigned before the grand jury of this county on an indictment charging blackmail on October 3, 1939? Do you know that?

MR. McBRIDE. I don't know it, no. I don't know it. I might have heard about it but I can't recall it.

MR. GALLAGHER. Was he convicted, Mr. Nellis?

MR. McBRIDE. Was he convicted?

MR. NELLIS. I am asking the questions.

MR. McBRIDE. I don't know.

MR. NELLIS. Do you know whether he was indicted?

MR. McBRIDE. I don't know whether he was or not. That was in 1939.

MR. NELLIS. That's right.

MR. McBRIDE. I don't know whether he was or not.

MR. NELLIS. Were you yourself indicted about that time?

MR. McBRIDE. Where? In Chicago, yes.

MR. NELLIS. Were you indicted with James Ragen?

MR. McBRIDE. That's right.

MR. NELLIS. Mushy Wexler?

MR. McBRIDE. That's right.

MR. NELLIS. William Molasky?

MR. McBRIDE. That's right.

MR. NELLIS. Brophy.

MR. McBRIDE. That's right.

MR. GALLAGHER. At that point, Mr. Nellis, let me make a statement, that the United States district court found there was no substance to that indictment and the solicitor general's office took no appeal.

MR. NELLIS. That is correct.

MR. GALLAGHER. All right, let the record show that.

MR. NELLIS. I am coming to that and I am going to make the record for you.

Isn't it a fact that the indictment was an indictment for conspiracy to carry from one State to another a list of prizes drawn or awarded by a lottery in violation of the criminal code?

MR. McBRIDE. I don't know what the indictment was for.

MR. NELLIS. Did you appear and plead to it?

MR. McBRIDE. I sure did.

MR. GALLAGHER. And pleaded not guilty?

MR. McBRIDE. And pleaded not guilty.

MR. NELLIS. To make the record straight, of course, we should add here what you have previously mentioned. The court held the indictment fatally defective.

Now let me question you a little bit about the people you were indicted with. Who is William Molasky?

Mr. McBRIDE. William Molasky is a man that has the agency in St. Louis.

Mr. NELLIS. What is the name of it?

Mr. McBRIDE. I think it is the Empire——

Mr. HALLEY. Pioneer News.

Mr. NELLIS. Is it the Pioneer News?

Mr. McBRIDE. Yes.

Mr. NELLIS. Does he receive race results from Continental Press Service?

Mr. McBRIDE. I think he did.

Mr. DEMPSEY. I think the records of the committee show that he does.

Mr. NELLIS. I am asking Mr. McBride because I think we have a right to know something of his background.

Mr. GALLAGHER. Before we leave that one point about that indictment and its being turned down on the demurrer, Mr. Nellis, let's make it clear that the fact is that it was charging the transmission of racing news and pari-mutual prices constituted a violation of the Federal lottery statutes, and the United States district court held that that was not a fact.

Mr. NELLIS. Yes. Would you like me to read the judge's decision?

Mr. GALLAGHER. No, you don't have to. I think that will cover it.

Mr. NELLIS. That is exactly correct, Mr. Gallagher.

Mr. GALLAGHER. Yes.

Mr. NELLIS. You have testified that William Molasky is of St. Louis; is that right?

Mr. McBRIDE. That's right.

Mr. NELLIS. How long have you known him?

Mr. McBRIDE. 25 years.

Mr. NELLIS. What is his business?

Mr. McBRIDE. His business is news business.

Mr. NELLIS. Is he a subscriber of Continental Press?

The CHAIRMAN. The record shows the Pioneer News is one of the distributors.

Mr. NELLIS. Of Continental Press service?

Mr. McBRIDE. That's right.

Mr. NELLIS. Is this Morris Wexler the same Mushy Wexler this committee is seeking for service of a subpoena?

Mr. McBRIDE. That's right.

Mr. NELLIS. Do you know where he is?

Mr. McBRIDE. No.

Mr. NELLIS. How long since you have seen him?

Mr. McBRIDE. Oh, I haven't seen Mushy in a period of 4 or 5 months, I guess.

Mr. NELLIS. When was the last time you saw him, do you recall?

Mr. McBRIDE. I think at the Theatrical Grill.

Mr. NELLIS. Sir.

Mr. McBRIDE. I think in his place, the Theatrical Grill.

Mr. NELLIS. How long ago was that?

Mr. McBRIDE. I would say 4 or 5 months.

Mr. NELLIS. Who is Brophy?

Mr. McBRIDE. Brophy was the distributor in Los Angeles—he was the distributor in Los Angeles.

Mr. NELLIS. Of what ?

Mr. McBRIDE. He bought service. He had a scratch sheet out there and he bought service.

Mr. NELLIS. Distributed it?

Mr. McBRIDE. Distributed it from there on.

The CHAIRMAN. Ragen's son-in-law.

Mr. McBRIDE. Ragen's son-in-law is right.

Mr. NELLIS. This James M. Ragen is the same person that you have referred to previously?

Mr. McBRIDE. That's right.

Mr. NELLIS. Did you know about the criminal record of George J. Angersola?

Mr. McBRIDE. George, I think you have sent away once. I don't know for what.

Mr. NELLIS. Wasn't he sent away for extortion in 1939? Don't he ever tell you about that?

Mr. GALLAGHER. Just a moment, Mr. Nellis. I think Mr. McBride has already testified that he has had no business dealings with George Angersola. Where has that anything to do with the committee?

Mr. NELLIS. I am asking him whether he knew it?

Mr. GALLAGHER. Of what importance is it whether he knew it or didn't know it?

The CHAIRMAN. That's all right.

Mr. GALLAGHER. He had no business transactions with him.

The CHAIRMAN. I think he testified this morning that he had some transaction.

Mr. GALLAGHER. With George?

Mr. McBRIDE. Not with George; with Johnny, not with George.

Mr. NELLIS. Isn't George a brother of John Angersola?

Mr. McBRIDE. That's right.

Mr. NELLIS. Is that right?

Mr. McBRIDE. That's right.

Mr. NELLIS. I ask you if you had ever heard whether he had gone to the penitentiary for extortion.

Mr. DEMPSEY. Senator, I would like to suggest this is the most amazing line of questioning I have ever heard, sir.

The CHAIRMAN. Mr. Dempsey, wait just a minute.

Mr. DEMPSEY. He asks him whether he knows a man's brother. What has that to do with this work of the committee?

The CHAIRMAN. Let me ask Mr. McBride, are you acquainted with George Angersola? Is that the man we are talking about?

Mr. McBRIDE. Yes, that's right, sir.

The CHAIRMAN. Is he an associate of yours or what do you know about him?

Mr. McBRIDE. I know him to see him. I know him the least of the three Kings, just bid him time of day and how are you, one thing and another.

Mr. NELLIS. Have you ever done any business or had any transactions with him in any way whatsoever?

Mr. McBRIDE. Not that I know of. I might have—

The CHAIRMAN. Well, for the time being unless we have some evidence that Mr. McBride has had something, let's ask about some other things.

Mr. NELLIS. All right. Did you hire anyone by the name of Angelo Sciria at the time you were circulation manager?

Mr. McBRIDE. Angelo Sciria?

Mr. NELLIS. Do you know Angelo Sciria?

Mr. McBRIDE. Is that Angelo Sciria—I can't place him. I might know him by some other name.

Mr. NELLIS. Wasn't he one of this group that worked for you at that time?

Mr. McBRIDE. I can't place him.

Mr. NELLIS. With Al Polizzi?

Mr. McBRIDE. I can't remember.

Mr. DEMPSEY. Senator, this testimony was there was no group that worked with Mr. McBride. Mr. Nellis has heard it.

Mr. NELLIS. I think his testimony will speak for itself.

Mr. GALLAGHER. Wait. We object to you characterizing it improperly. He stated the man sold newspapers.

The CHAIRMAN. Just a minute. He testified who worked for him and he cannot remember whether this man did or no, so that is the testimony.

Mr. NELLIS. Now, Mr. McBride, did you ever know Al Capone?

Mr. McBRIDE. No.

Mr. NELLIS. Are you acquainted with the testimony of Governor Cox?

Mr. McBRIDE. Yes.

Mr. NELLIS. Before the Federal Communications Commission.

Mr. McBRIDE. That's right.

Mr. NELLIS. April 11 and 12, 1950.

Mr. McBRIDE. That's right.

Mr. NELLIS. Are you acquainted with the reputation of Governor Cox?

Mr. DEMPSEY. Mr. Chairman, I would like to suggest—

The CHAIRMAN. What was the testimony? You summarize it so we know what it was. Ask him about it.

Mr. DEMPSEY. Mr. Chairman, may I make this suggestion? If Mr. Cox's testimony is to be put in this record, he ought to be here as a witness.

Mr. GALLAGHER. Under oath.

Mr. DEMPSEY. I would like an opportunity to cross-examine him and if he repeats that testimony ask for an indictment for perjury against him.

The CHAIRMAN. The committee of course has the right to take references from other committee hearings and I suppose that's what Mr. Nellis—

Mr. DEMPSEY. Governor Cox gave a deposition.

The CHAIRMAN. All right. The objection is overruled for the time being.

Mr. GALLAGHER. May I state one thing? You stated that when Mr. McBride finished his testimony, if there was any witness that said anything about Mr. McBride, he would have an opportunity to come in. If Mr. Nellis is going to make this statement of Cox's, we want Cox brought before this committee.

The CHAIRMAN. Mr. Gallagher, you didn't exactly state what I said. I said if any witnesses appear after Mr. McBride and had anything to say about Mr. McBride, we would give him, Mr. McBride, an opportunity to come again making any explanation he wants to. The record of the testimony in the FCC hearing is public testimony.

Mr. GALLAGHER. Certainly.

The CHAIRMAN. It has been publicized. I can't see why you want to get technical.

Mr. GALLAGHER. I am not getting technical.

The CHAIRMAN. There is an objection to reading something and asking him about it, something that everybody in the United States can read if they want to.

Mr. GALLAGHER. Right, but I saw a good example——

The CHAIRMAN. We have had enough argument on this entire point. What is your question?

Mr. NELLIS. My question is whether or not Governor Cox testified on April 11 and 12, 1950, under oath, in proceedings before the Federal Communications Commission. Do you know that?

Mr. McBRIDE. I think they took the testimony at his house. He didn't testify in front of anybody.

Mr. NELLIS. Do you know that he testified before that Commission?

Mr. McBRIDE. Yes, he did.

Mr. NELLIS. Isn't it a fact that he testified that he talked to you in the midst of the Capone exposé in Miami back at the time when Al was down there sometime in the mid-30's?

Mr. DEMPSEY. Mr. Chairman, I would like to ask that that entire record be put in evidence here because it conclusively illustrates that Mr. McBride was not employed at that time.

The CHAIRMAN. The parts of it that have bearing on this subject will be put in. We don't put the entire record in, but if anybody wants to refer to it——

Mr. GALLAGHER. Senator, I saw an excellent example of your fairness in connection with the wire-tapping probe in Washington when Lieutenant Shimon's testimony was in, and on your motion that committee struck testimony with respect to a certain gentleman in North Carolina on the ground he wasn't there to protect himself. Mr. McBride is here to make a statement to this committee. We have asked that that record be incorporated, and we think in fairness to Mr. McBride that Governor Cox ought to come into this jurisdiction or before your committee and make the same statement.

The CHAIRMAN. Mr. Gallagher, all references in the testimony which have any reference to this matter will be incorporated in this record. We are not going to burden the record of this committee with a lot of matters that have nothing to do with the questions being asked. The only question that was asked is that under oath in a public record Mr. Cox said that as standing against Mr. McBride. If Mr. McBride doesn't want to answer the question, all right, but I should think he would be very happy to have an opportunity to answer it.

Mr. GALLAGHER. He is willing to do it.

Mr. DEMPSEY. He answered it very fully.

The CHAIRMAN. All right, if he answered it.

Mr. DEMPSEY. I wonder why Mr. Nellis is only reading portions of that record. I think it all ought to be in here or none of it should be here.

The CHAIRMAN. Anyway, the parts that have reference will be incorporated. The question is whether Mr. Cox said it, and if Mr. McBride said he did not say it, why, then we will pass on to something else.

Mr. DEMPSEY. I think it ought to be incorporated.

The CHAIRMAN. Let me tell you something, Mr. Dempsey. You and Mr. Gallagher are here by courtesy of the committee. We are glad to have you here, but I think we know our business and we don't want the hearing continually interrupted by one of you on one side and one of you on the other. If you have some objection to make, make your objection. When we get through with Mr. McBride, if you want to ask him any question to explain anything, we will give you an opportunity, but let's try to get on with the hearing.

Mr. GALLAGHER. May I make just one statement and state an objection, then, Senator? You stated at the commencement of this hearing today that Mr. McBride was here for a limited purpose, as set forth in the subpoena. That was our understanding. Now we are going back 20, 30 years ago.

The CHAIRMAN. I didn't state that. You will have to refresh your recollection about it.

Mr. GALLAGHER. I will have to get a copy of the transcript.

The CHAIRMAN. You will have to get a copy. I didn't say what purpose Mr. McBride was here for. He is here for the purpose of giving testimony about anything that we think is pertinent.

Mr. GALLAGHER. Well, now, Senator, just a moment.

The CHAIRMAN. We said that we had the subpoena, the subpoena had been limited to certain matters, that we wanted his books and records on those.

Mr. GALLAGHER. All right.

The CHAIRMAN. But proceed with the questions, Mr. Nellis.

Mr. NELLIS. Now, are you acquainted with the fact that Governor Cox testified, in that form, that he talked to you sometime in the mid-thirties concerning the Capone matter? Are you acquainted with it?

Mr. McBRIDE. 1931?

Mr. NELLIS. Sometime in the mid-thirties, he testified.

Mr. McBRIDE. I am acquainted with what he had to say.

Mr. NELLIS. Are you acquainted with the fact that he testified that you came to him on a golf course, either the Bay Shore or the Miami golf course, and introduced yourself to Cox on the train—or prior to that on the train—pardon me—

Mr. DEMPSEY. Don't you think the document ought to speak for itself?

The CHAIRMAN. Let the question be asked.

Mr. NELLIS. Are you acquainted that he testified that he met you previously on a train?

Mr. McBRIDE. In '35, that is.

Mr. NELLIS. That's right. Are you acquainted with the incident concerning the time he met you on the golf course?

Mr. McBRIDE. Yes.

Mr. NELLIS. Are you acquainted with his testimony to the following effect, and I am quoting: "He immediately went into the Capone thing"—meaning you—"because things were pretty warm here. You must remember Capone came in here at night. He leased his property surreptitiously. Now, McBride came to me and said"—and he is quoting you—"You are all wrong about Capone," he said. "He is a fine fellow. I would like to bring him here. I would like to come to your office."

Are you acquainted with that?

Mr. GALLAGHER. Just a moment——

Mr. McBRIDE. I am acquainted with what Mr. Cox——

The CHAIRMAN. Let him answer, and then if you want to make any explanation so——

Mr. GALLAGHER. Is Mr. Nellis going to read Mr. McBride's answer to that statement? That is what we want.

The CHAIRMAN. As long as they opened the doors, let them read the answer.

Mr. NELLIS. Let's reserve that for a moment.

Mr. DEMPSEY. Let's have it now.

Mr. NELLIS. All right, you can have it now.

Mr. DEMPSEY. I don't think you are prepared on that side of it, are you, Mr. Nellis?

Mr. NELLIS. Yes; I am.

The CHAIRMAN. Mr. Dempsey——

Mr. DEMPSEY. Beg your pardon if I am being——

The CHAIRMAN. Let us ask the witnesses questions and let the witness do the testifying. We will get along all right.

Mr. DEMPSEY. That isn't this witness' testimony. This man is reading excerpts from a deposition.

Mr. NELLIS. We are going to give him an opportunity——

The CHAIRMAN. It is a public record, and we are going to put everything that is said about it in this record.

Mr. GALLAGHER. We have got a lot of press coverage. Can we have Mr. Nellis just read Mr. McBride's answer from that record so the press can hear it?

Mr. NELLIS. He is here to testify now.

Mr. GALLAGHER. Read it out. You have read Cox. Just read it the way he stated it before he asks under oath.

Mr. NELLIS. I want to be accurate on this, and I will have the record here in a minute.

Is it a fact that he told you to get out of there and never speak to him again? Did he say anything like that?

Mr. McBRIDE. No.

Mr. NELLIS. Did he testify that you had no dealings or conversations with him since that time? Did he testify to that effect?

Mr. McBRIDE. That I had no dealings with him?

Mr. NELLIS. Since that time?

Mr. McBRIDE. I guess he did.

Did he tell you about asking me to run a crab business because the man in Atlanta couldn't give him advertising?

Dan Mahoney called me and wanted me to go to Atlanta. He bought a paper in Atlanta.

Let's get down to rock bottom here.

Mr. NELLIS. Did you testify immediately after that testimony?

Mr. McBRIDE. Immediately after that?

Mr. DEMPSEY. There wasn't any testimony. Cox gave a deposition.

Mr. McBRIDE. Cox didn't even have nerve enough to come down and face me.

Mr. NELLIS. There was testimony here——

Mr. McBRIDE. He took a deposition, made them come out to their house, and I would have been there ready to face them.

The CHAIRMAN. Here is your testimony, Mr. McBride.

Mr. McBRIDE. Well, we have two, if you please, Senator. Read mine, too.

Mr. NELLIS. What did you say?

Mr. McBRIDE. It is in the record.

The CHAIRMAN. Well, read both of them, right into the record. In addition to what is in the record, which we will incorporate in this record, if you want to say anything about it, why, say so.

Mr. McBRIDE. In 1938 I run—in 1935 I was going to Miami, and I thought I had the train number that I have been on, I am fairly sure it was the one, and he had a rubber, a fellow that took care of him. He worked for Muncie prior to working for Mr. Cox.

He come out. There were about three of us in the car, and Mr. Cox had a drawing room. I was sitting back in a lower berth, and they cleaned the berth up, and this fellow come over and he says, "How do you do?" Not Cox, this man that worked for him, this rubber.

He said, "Kind of lonesome here."

I said, "Yes, it is. Sit down."

So we got to discussing different things. He told me he worked for Mr. Cox, that he took care of him. We sat there and we talked for maybe 15 minutes, a half hour. I didn't pay any more attention to him.

I told him my name was McBride, I had been in the newspaper business but I now was in the taxicab business. So, he goes back and he talks to Cox, and Cox comes out and he said, "Mr. McBride, I am glad to meet you." He said, "I heard about you."

I said, "Did you?"

He said, "You know Annenberg pretty well?"

I said, "Yes, I do."

"How long have you known him?"

"Oh, I must have known him," I said, "since 1900. I knew him when he was a bartender, when him and Max both were bartenders."

He said, "Mr. McBride, I had a man come from Pittsburgh."

Bear in mind, at this time Annenberg had started the Miami Tribune.

He said, "Do you think that—" he got friendly, nice, suave.

He said, "Do you think that Mr. Annenberg would send a man from Pittsburgh to want to buy me out?"

I said, "No." I said, "I don't know, but knowing Annenberg as I do, he would go in and talk to him—go in and talk to you himself."

He was a man that wasn't afraid to talk to anybody, and I figured he would go in and talk to him. He wanted to know all about Annenberg. I told him about Annenberg tending bar days at Twenty-sixth and State, one of them would tend bar during the day and the other tend bar during the night. He was very interested in hearing about Annenberg.

In our conversation I said Annenberg is a pretty good businessman and a tiresome worker. Well, he got a little—didn't like to hear that businessman, I guess.

He went back to his room, and I paid no more attention to him. I guess he came in to Cincinnati, I didn't see any more of Cox until—I met the rubber one time—well, I didn't see any more of Cox until 1938 or 1939, and there was a four-ball tournament on the golf course.

So in coming out of the golf course, and I think Sarazen was one of the golfers that played, and Rivola, and I think somebody else, I just don't remember, but as we come out to the gate, Cox said, "Hello, McBride, how are you?"

I said, "Fine."

He said, "That friend of yours didn't do so good in Miami, did he?"

In the meantime, Annenberg had sold out the Tribune to John Knight and went out of business.

I said, "Well, I don't know. I don't know what he done."

He said, "You wouldn't call it a good businessman, losing \$600,000, would you?"

I said, "Well, I don't know anything about that."

And he said, "Furthermore," he said, "I will send that Jew son of a bitch to the penitentiary yet."

I said, "Well, I can't help that."

Ragen said to me, "What a vicious old bastard he is."

So that was the end of Mr. Cox.

The CHAIRMAN. Was there any conversation about Capone?

Mr. McBRIDE. No, none whatsoever. Al Capone left Florida, as the records show, I think in 1930, and at that time I was circulation manager of the News in 1930 and hadn't been in Florida until 1934? It was my first trip to Florida, and I proved that conclusively by the records of the News, and by the people where I stayed.

Now, where do we go from here?

The CHAIRMAN. These questions back and forth from the other record will be put in this record, his statement and your answers to things will be in this record.

Mr. McBRIDE. And it is in that record.

The CHAIRMAN. Go ahead, Mr. Nellis.

Mr. NELLIS. Now, Mr. McBride, you asked about records concerning real-estate transactions with Al Polizzi?

Mr. McBRIDE. That's right.

Mr. NELLIS. Have you had any real-estate transactions with Al Polizzi in Florida?

Mr. McBRIDE. That's right.

Mr. NELLIS. Will you describe those, please?

Mr. McBRIDE. Well, Mr. Polizzi and I bought what we call the Shriner golf course.

Mr. NELLIS. What is that?

Mr. McBRIDE. I think the name of that was the Shriner golf course. That is what it was called, I think, at that time.

Mr. NELLIS. About when did this occur?

Mr. McBRIDE. You have the date there; the exact dates whatever it is, I will agree.

Mr. NELLIS. Is it true that, on about the 25th of February 1948, you and your wife, joined by Alfred Polizzi and his wife, conveyed some property to the H. & I. Holding Co., a Florida corporation?

Mr. McBRIDE. That could be possible.

Mr. NELLIS. What is the H. & I. Co.?

Mr. McBRIDE. The H. I. Holding Co. is a holding company that the National Title Co. got in which you can put property in their name and hold it for you.

Mr. NELLIS. Is that property held in beneficial trust for you? Are you the beneficial owner of that property?

Mr. McBRIDE. Well, I just don't know what you mean by beneficial—explain it more thoroughly.

Mr. NELLIS. When you conveyed that property to the H. I. Holding Co., did you transfer title to them?

Mr. McBRIDE. Yes, sure.

Mr. NELLIS. Do they hold title for you?

Mr. McBRIDE. Yes. They give you a letter, and every time we release anything they send us a letter.

Mr. NELLIS. Does that date, to which I have referred, cover property bought by you or sold by you to Al Polizzi beginning October 1945, the property known as the University Estates?

Let's see if you can recognize it this way: Do you recognize a warranty deed "Arthur McBride and Mayme McBride to Al Polizzi, consideration of \$10, filed November 23, 1945." I will show it to you.

Mr. McBRIDE. This is not the Shriner property.

Mr. NELLIS. What property is that?

Mr. McBRIDE. That is six lots on Coral Gables.

Mr. NELLIS. Is that part of the section known as University Estates?

Mr. McBRIDE. No; I don't think so.

Mr. NELLIS. What is that section known as?

Mr. McBRIDE. I couldn't tell you the section, but there are six lots.

Mr. GALLAGHER. In connection with the H. I. Holding Co. which you asked about in the subpoena, I think Mr. McBride in a couple of minutes could explain why that property which is owned jointly by Polizzi and McBride is now with the National Title.

Why don't you explain how that happened?

Mr. McBRIDE. We sold that property to a man by the name of—

The CHAIRMAN. What property are you talking about?

Mr. McBRIDE. We are talking about the University Estates property.

Mr. DEMPSEY. That is the one described as Shriner golf course.

Mr. McBRIDE. Shriner golf course.

That property was sold, and the man built about forty houses. The contract was that he was to build four houses a month, take four lots a month until he completed the allotment. Things got rough on him. He got sick, had to go away, had a heart attack. Well, he was overweight, high blood pressure, either one of the two.

So he lost his deposit of \$10,000 and turned back the property to us, and we still own the property, and it is in the H. I. Holding Co. name. We own the balance of the property.

Mr. NELLIS. You and Alfred Polizzi?

Mr. McBRIDE. That's right.

Mr. GALLAGHER. Is it a fact that it was put in the H. I. Holding Co. so that the person who had the option on the lots would be able to go to the title company that he was building on different lots?

Mr. McBRIDE. Yes.

Mr. GALLAGHER. And you permitted it to remain there until it was turned back and he has defaulted?

Mr. McBRIDE. That's right.

Mr. NELLIS. How did you happen to go into this venture with Mr. Polizzi?

Mr. McBRIDE. I had started off with a man by the name of Frankel.

Mr. NELLIS. Who is that?

Mr. McBRIDE. Frankel, a man by the name of Frankel took it.

Mr. NELLIS. What is his full name, do you know?

Mr. McBRIDE. Gee, I couldn't tell you. But I sold him a piece of property on the beach, and he made considerable money on it. I sold him 20 acres on the beach.

Mr. NELLIS. When was this, approximately, Mr. McBride?

Mr. McBRIDE. Well, I can get that date by the date that I bought this. When did I buy this property? About 2 years prior to that time.

Mr. NELLIS. That would be about 1943?

Mr. McBRIDE. About 1943.

And during the time—I had sold him the property for \$100,000, 20 acres, and during that time I had a half dozen offers on the property where I could have got as high as \$250,000 for the piece, but I told him that I would take it, and I didn't want to go back on my word.

So it strung along on account of titles, and one thing and another. They were kind of tied up, and we couldn't get straightened away on. In the meantime, he got the property.

Mr. NELLIS. Who was he?

Mr. McBRIDE. Mr. Frankel.

Mr. NELLIS. Now, how did you happen to go into it with Polizzi? Will you explain that?

Mr. McBRIDE. I will explain that.

Frankel come over to Allen Brown's office so—

Mr. NELLIS. Who is he?

Mr. McBRIDE. The real-estate office there.

Mr. NELLIS. Where? In Miami?

Mr. McBRIDE. In Coral Gables.

Mr. NELLIS. How long have you known him?

Mr. McBRIDE. Allen Brown. I would say about 15 years, 14, 15 years.

Mr. NELLIS. All right. Go on.

Mr. McBRIDE. And he bought—he was the one that started over to buy the Shriner golf course. So, he asked Allen whether or not I would take half, but I think the deal involved \$103,000. So Allen called me, and I said I will take half of it. I knew the property, knew it very well.

In the meantime, he had a lawyer—about a month elapsed—in the meantime he had a lawyer by the name of Williams, and Williams wanted—Frankel wanted to get out of the deal. So he come in to Allen Brown and told him they weren't going to take the title, weren't going to take the property on account of the title. They couldn't clear it up to their satisfaction.

So Allen called me about it. I said: "I will take it myself. I will go ahead with it. You can clear up the title."

I said, "Take that down to the National Title Co.; and, if they can clear the title, I will take it."

So he called me after they went over the title, and they told me that they could clear the title: so I said, "Well, I will take it."

In the meantime, a couple of days elapsed, and Mr. Polizzi was building and fooling around there with real estate, and he came in and he asked if there were anything that he had—

Mr. NELLIS. He asked you what?

Mr. McBRIDE. No; asked Allen Brown. I was in Cleveland.

Mr. NELLIS. I see.

Mr. McBRIDE. If there was anything that they had around there that he could invest any money in. That he would like to buy something that Allen thought was good.

Mr. NELLIS. Who told you that he came in and asked Brown for this proposition?

Mr. McBRIDE. Allen Brown. It is all a matter of record.

Mr. NELLIS. I see.

Mr. McBRIDE. It has been before the FCC.

Mr. NELLIS. Go ahead.

Mr. McBRIDE. And Allen told him he didn't know, but he would talk to me.

Allen talked to me. I said, "Yes; sure; it would be all right."

In the meantime, I think I got a call from Mr. Polizzi. He said, "Do you have any objections to me taking half interest in that property?"

I said, "None whatsoever; be glad to have you."

Mr. NELLIS. You were glad to go into business with Al Polizzi?

Mr. McBRIDE. I have no—nothing ashamed of at all.

Mr. NELLIS. What is his reputation, Mr. McBride—do you know?—as a good citizen?

Mr. McBRIDE. In my way of thinking, he is all right. He is a good citizen.

Mr. NELLIS. Do you know what his criminal record is? Have you any idea?

Mr. McBRIDE. Yes; I have.

Mr. NELLIS. What is it?

Mr. McBRIDE. He was sent away once for bootlegging, another time for not having—another time for stamps, or something of that kind. I just don't know what the second was.

Mr. NELLIS. Have you ever heard that the second was a black-market whisky deal in 1944?

Mr. McBRIDE. I don't know what it was.

Mr. NELLIS. Do you know a man by the name "Fred Garmone"?

Mr. McBRIDE. Yes; I do, very well.

Mr. NELLIS. How long have you know him?

Mr. McBRIDE. Twenty years or more.

Mr. NELLIS. Was he involved with Mr. Polizzi in this deal?

Mr. McBRIDE. I think he was. He was the lawyer that handled the deals for him.

Mr. NELLIS. Well, would you be surprised if I told you that Mr. Polizzi has had seven arrests, has been to prison, and has been known to the Cleveland police for many years?

Mr. McBRIDE. Let me ask you this question—

Mr. NELLIS. Would you be surprised to know that?

Mr. McBRIDE. I have had 50 boys in my lifetime that went to prison, and every one that I helped turned out to be pretty good boys.

Mr. NELLIS. Well, is he a pretty good boy now?

Mr. McBRIDE. I think he is a good family man.

Mr. NELLIS. Mr. Chairman, I would like at this time to introduce in evidence these copies, certified from the deed book with respect to the transactions that I have been asking Mr. McBride about.

The CHAIRMAN. Do they all have to do with the University Estates?

Mr. NELLIS. Yes; they do, sir.

The CHAIRMAN. All right. Let them be made exhibit No. 34.

(The documents identified were thereupon received in evidence as exhibit No. 34, and are on file with the committee.)

Mr. NELLIS. Are there any other real-estate transactions between you and Mr. Polizzi?

Mr. McBRIDE. None that I know of.

Mr. NELLIS. Any other dealings in Coral Gables?

Mr. McBRIDE. Wait just a minute.

Mr. NELLIS. Yes, sir.

Mr. McBRIDE. That is all.

Mr. NELLIS. No other real-estate transactions anywhere?

Mr. McBRIDE. Not that I haven't mentioned.

Mr. NELLIS. You still hold this land together, a beneficial interest?

Mr. McBRIDE. Yes. Just a minute. The holding company holds it for us.

Mr. NELLIS. Yes; I know. They hold it for you, but he owns 50 percent?

Mr. McBRIDE. That is right.

Mr. NELLIS. And you own 50 percent?

Mr. McBRIDE. That is right.

Mr. NELLIS. Now, did he give you the \$51,000, representing his share of that purchase?

Mr. McBRIDE. I think that was put up—he put that up himself with the National Title Co., when we escrowed the deal.

Mr. NELLIS. Did you put yours up at the same time?

Mr. McBRIDE. I sent mine to the National Title Co.; yes.

Mr. NELLIS. By check?

Mr. McBRIDE. I think so; sure.

Mr. NELLIS. Was the amount approximately \$51,000?

Mr. McBRIDE. I don't know what it was.

Mr. NELLIS. Well, you testified it was around \$102,000.

Mr. McBRIDE. Well, I don't think they took back the mortgage on that. The records will show.

Mr. NELLIS. Well, do you own exactly half of that?

Mr. McBRIDE. I own exactly 50 percent.

Mr. NELLIS. And he owns exactly half?

Mr. McBRIDE. He owns exactly the same.

Mr. NELLIS. Did you ever know Polizzi by the name "Albert Allen"? Have you ever known Polizzi by the name "Albert Allen"?

Mr. McBRIDE. No; I haven't.

Mr. NELLIS. You never heard the name "Albert Allen"?

Mr. McBRIDE. No.

Mr. NELLIS. Didn't you know that back in 1920, when you knew him pretty well—you testified—he was picked up on cases of robbery in four separate instances?—and here is the police report:

Held up and robbed at the point of a revolver at 6:15 a. m. October 10, 1928, in room 1032 Hollenden Hotel.

Mr. McBRIDE. I didn't know about it.

Mr. NELLIS. Under the name "Albert Allen."

Mr. GALLAGHER. Was he convicted at that time, Mr. Nellis?

Mr. NELLIS. I am asking the questions. I want to know whether you ever heard that.

Mr. McBRIDE. Listen, I will tell you what happened to me one night, and I can subpoena a witness in here. I was sitting in a place——

Mr. NELLIS. Pardon me. All I want to know is whether or not you heard him called by the name "Albert Allen"?

Mr. McBRIDE. No; I did not hear.

Mr. NELLIS. Now, you testified this morning that you have had some transactions with the Milanos; is that right?

Mr. McBRIDE. That is right.

Mr. NELLIS. Which Milano?

Mr. McBRIDE. Tony Milano.

Mr. NELLIS. What transactions were those?

Mr. McBRIDE. I think—well, the transactions, I think, I was out—oh, I don't know. Now, what year was that?

Mr. NELLIS. I am asking you. Did you bring some records with respect to transactions with Milano, or did you say you didn't have any?

Mr. McBRIDE. It is a Brotherhood deal; ain't it? The Brotherhood Bank?

Mr. NELLIS. Well, I am asking you, Mr. McBride.

Mr. McBRIDE. Yes. I know of an instance where either a man by the name of Pete Leonard, or Tony Milano come to me and asked me to subscribe, asked me to take some stock or put some money in the bank that they were starting.

At that time I think I was on the News, and I was trying to get all the circulation I possibly could up in that neighborhood, and I had canvassers up in that neighborhood soliciting business, and I invested \$200.

Mr. NELLIS. In what?

Mr. McBRIDE. I think——

Mr. NELLIS. Was it the Laraldo Publishing Co.?

Mr. McBRIDE. Gee, I don't know. No; it was a bank, I think.

Mr. NELLIS. Was it the Brotherhood Loan?

Mr. McBRIDE. I think it was the Brotherhood Loan. That is about 21, 22 years ago; is it not?

Mr. NELLIS. And do you know whose enterprise that is?

Mr. McBRIDE. I think it is Tony Milano's.

Mr. NELLIS. And how long have you known him?

Mr. McBRIDE. Oh, I must know Tony Milano 25 years or more.

Mr. NELLIS. What is his reputation as a good citizen?

Mr. McBRIDE. I couldn't tell you that.

Mr. NELLIS. You don't know anything about his activities or business?

Mr. McBRIDE. I don't.

Mr. NELLIS. Did you ever hear of the Richmond Country Club?

Mr. McBRIDE. Yes; I did.

Mr. NELLIS. What is that, sir?

Mr. McBRIDE. Well, it was an eating place is all I know about it. I don't think I was there—I don't ever remember being out there.

Mr. NELLIS. You don't remember being out there?

Mr. McBRIDE. No.

Mr. NELLIS. Did you ever hear that that was formerly the Ohio Villa, a notorious gambling joint?

Mr. McBRIDE. I have heard of it.

Mr. NELLIS. Did you know that your friend Tony—he is your friend?

Mr. McBRIDE. He ain't a fellow that I visit back and forth, but I know the man for 25 years.

Mr. NELLIS. Well, would you say he was your friend?

Mr. McBRIDE. Well, I would say he wasn't my enemy.

The CHAIRMAN. Is he an associate of yours?

Mr. McBRIDE. Well, Senator, just what would you call "an associate"?

The CHAIRMAN. Well, I suppose we all have our ideas about who an associate is.

Mr. McBRIDE. A business associate?

The CHAIRMAN. Is he a man that you do business with; that you are happy to be in business with?

Mr. McBRIDE. Well, I never had no business outside of this. I know the gentleman. As far as visiting back and forth, I haven't seen the man, I don't think, in maybe 21 or 22 years.

Mr. NELLIS. What was that once, Mr. McBride?

Mr. McBRIDE. I think there was a Father McBride that was given a title, and they gave a blow-out. He had the parish out there, and the blow-out was at Seventy-ninth and Euclid.

Mr. NELLIS. What year?

Mr. McBRIDE. About 2 years ago.

Mr. NELLIS. Was that an occasion on which Tony Milano's daughter was married?

Mr. McBRIDE. No; I don't know anything about that.

Mr. NELLIS. You don't know that.

You weren't present at the wedding?

Mr. McBRIDE. Yes; I think I was. Pardon me; I forgot that.

Mr. NELLIS. Now, you were present at the wedding of Tony Milano's daughter; is that right?

Mr. McBRIDE. Wait just a minute. No; not Tony's daughter; Tony Milano's son.

Mr. NELLIS. His son Peter; is that right?

Mr. McBRIDE. Yes.

Mr. NELLIS. And do you remember any of the people who were there?

Mr. McBRIDE. No; I just went in and went out. I don't remember who was there.

Mr. NELLIS. You weren't introduced to anybody there?

Mr. McBRIDE. Not that I recall.

Mr. NELLIS. Did you meet Al Polizzi there?

Mr. McBRIDE. I might have met him there.

Mr. NELLIS. Mr. McBride, did you know that Anthony Milano, known as Tony Milano, also, has a record for counterfeiting, sent to prison for 6 years at Leavenworth, with his brother Frank? Do you know Frank Milano?

Mr. McBRIDE. I do.

Mr. NELLIS. How long have you known him?

Mr. McBRIDE. Thirty years, I guess.

Mr. NELLIS. Where is he?

Mr. McBRIDE. I couldn't tell you that.

Mr. NELLIS. How long since you have seen him?

Mr. McBRIDE. I don't think I have seen Milano in 18 or 20 years.

Mr. NELLIS. Do you know where he is?

Mr. McBRIDE. No; I don't.

Mr. GALLAGHER. Have you been associated in business with him?

Mr. McBRIDE. No.

Mr. GALLAGHER. The answer is "No."

Mr. McBRIDE. Wait; I want to clarify that.

Mr. NELLIS. Go ahead.

Mr. McBRIDE. You know Mr. Milano had a restaurant.

Mr. NELLIS. Where?

Mr. McBRIDE. On Mayfield Road.

Mr. NELLIS. How long ago?

Mr. McBRIDE. 20 years ago or more.

Mr. NELLIS. Did you ever hear of any killings committed at that restaurant?

Mr. McBRIDE. Yes.

Mr. NELLIS. What were they?

Mr. McBRIDE. I couldn't tell you now.

Mr. NELLIS. Did you ever hear of the Mafia?

Mr. McBRIDE. I have heard of it; yes.

Mr. NELLIS. What do you think it is?

Mr. McBRIDE. I don't know.

Mr. NELLIS. Well what have you heard?

Mr. McBRIDE. I don't know anything about it.

Mr. NELLIS. Well, you said you had heard of it. You must have heard of it in some connection.

Mr. McBRIDE. I read it in the paper.

Mr. GALLAGHER. We are getting into a lot of hearsay, what he has heard. Everybody in the room has heard of it, if there is one.

The CHAIRMAN. Mr. McBride, do you know what it is? Or have you had any association with the so-called Mafia?

Mr. McBRIDE. Senator, I don't know what it is any more than you do.

The CHAIRMAN. Now, Frank Milano. You had Tony Milano.

Mr. McBRIDE. They are two brothers, Senator.

The CHAIRMAN. Frank Milano—

Mr. McBRIDE. What year did Frank—was this here in Cleveland that they—I never heard of them being—

The CHAIRMAN. It seems like Frank Milano—I have some recollection that either he or Tony got down to Dallas and were trying to open up Dallas, Tex., with a fellow named Manno.

Mr. McBRIDE. I don't know Manno.

Now, let me ask you this question: This is news to me. Did Mr. Milano get sent away from Cleveland? Was it in Cleveland he got sent away?

I would like to know that, because I was in the newspaper business, and I never knew of it.

Mr. NELLIS. Well, I would be glad to give you his record.

The CHAIRMAN. We can make that an exhibit.

Mr. GALLAGHER. You mean his record is going to be filed as an exhibit, Senator, because Mr. McBride has known him for 25 years, and happened to put \$200 in a loan company 20 years ago?

The CHAIRMAN. No. We just want to put his record in our record.

Mr. GALLAGHER. But is this being incorporated as a part of Mr. McBride's position in your transcript?

The CHAIRMAN. It would be filed in the back as an exhibit to testimony as we go along.

Mr. GALLAGHER. Yes.

(Record of Tony Milano is identified as Exhibit No. 35, and appears in the appendix on p. 455.)

The CHAIRMAN. Of course, the record speaks for itself, whatever it is, Mr. Gallagher.

Mr. DEMPSEY. Senator, I would like to suggest that if you ask any gentlemen of the press around here how many people he has known, and how long, you will get exactly the same testimony.

The CHAIRMAN. Well, let me make it clear that except for what Mr. McBride says he knows in his business relations with Tony Milano, this would not be placed in the record, so that it appears that Mr. McBride has anything to do with these things that Mr. Milano has been charged with.

All right: let's proceed.

Mr. McBRIDE. May I ask a question?

The CHAIRMAN. Anyway, we don't seem to know anything about Frank Milano. The other one was Tony Milano. So let's get along.

Mr. NELLIS. Now, was Tony Milano in partnership with Al Polizzi at that coffee shop, or whatever it was?

Mr. McBRIDE. I can't tell you.

Mr. NELLIS. But you just testified that you had heard of some gang killings there at Milano's Cafe?

Mr. McBRIDE. Yes; I read the papers. I was in the newspaper business at that time.

Mr. NELLIS. Now, did you at one time own a boat called the *Wood Duck*, or should it properly be described as a yacht?

Mr. McBRIDE. I did.

Mr. GALLAGHER. Not a 40-footer, Mr. Nellis, if you know anything about the water. That is a pretty lousy yacht.

Mr. NELLIS. Would you tell us what it was?

Mr. McBRIDE. It was a 40-foot boat.

Mr. NELLIS. When did you buy it?

Mr. McBRIDE. I think about 1937 or 1938, some time around there.

Mr. NELLIS. From whom?

Mr. McBRIDE. A man by the name of Fisher, over in Detroit.

Mr. NELLIS. Who?

Mr. McBRIDE. Fisher—Fisher Body.

Mr. NELLIS. And that was what year, sir? 1938?

Mr. McBRIDE. I imagine it might have been 1938, 1939. I ain't got the year definite there.

Mr. GALLAGHER. How much did you pay for it, Mr. McBride?

Mr. McBRIDE. \$8,000.

Mr. NELLIS. Now, did you ever hear that that boat—well, I withdraw that.

Were you on that boat any time during the year 1939? Do you recall? Did you use it regularly?

Mr. McBRIDE. I imagine I did.

Mr. NELLIS. And did you use it for pleasure parties?

Mr. McBRIDE. That is right.

Mr. NELLIS. For your own personal pleasure?

Mr. McBRIDE. Yes.

Mr. NELLIS. Did you ever entertain Al Polizzi on it?

Mr. McBRIDE. I imagine he was on it. I don't know. I wouldn't know whether he was on it or not.

Mr. NELLIS. Don't you recall?

Mr. McBRIDE. I can't recall right now. That is 12 years. But I imagine he was on it.

He is quite a fisherman; I imagine he was on it.

Mr. NELLIS. Did you ever entertain John Angersola?

Mr. McBRIDE. I don't remember whether John was on it or not.

Mr. NELLIS. Did you ever entertain George Angersola?

Mr. McBRIDE. I don't think George was ever on it, to my knowledge.

Mr. NELLIS. In 1940, you sold the boat to Fred Angersola?

Mr. McBRIDE. That is right.

Mr. NELLIS. Would you relate the circumstances of that?

Mr. McBRIDE. Well, I had the boat in Miami, and I was tired of it, and the war was coming on, so one day I got talking to Freddy—this is Freddy Angersola—and I said, "Freddy, I would like to get rid of that boat."

He said, "What do you want for it?"

I said, "What I paid for it."

He come back the next day and said, "I will buy the boat off you." He bought the boat.

Mr. NELLIS. How much did he pay for it?

Mr. McBRIDE. \$8,000. The same as—

Mr. NELLIS. The same as you paid?

Mr. McBRIDE. That is right. That is my recollection.

Mr. NELLIS. You made no profit?

Mr. McBRIDE. That is my recollection.

Mr. NELLIS. Well, I asked you to bring your records.

Mr. McBRIDE. Well, what would you keep records on that for?

Mr. NELLIS. Well, I ask you to examine these records and tell me whether they represent purchase and sale of that boat at various times. Do you recognize this?

Mr. GALLAGHER. At various times? You mean purchase with respect to Mr. McBride's purchase and sale?

Mr. NELLIS. That is right.

The CHAIRMAN. Just state what it shows and ask him if it would be right.

Mr. NELLIS. This is a bill of sale dated 1949, the 7th day of June.

Mr. GALLAGHER. What year?

Mr. NELLIS. 1949. It appears to be 1949.

And it shows a 1947 Richardson boat. Is that another one?

Mr. McBRIDE. I ain't got no Richardson. This was a Pilot.

Mr. NELLIS. Is this your signature on this instrument [producing document]?

Mr. McBRIDE. Oh, yes; I know all about this.

Mr. NELLIS. What is that?

Mr. McBRIDE. That is a boat I had that I bought in—

Mr. DEMPSEY. That is not the *Wood Duck*.

Mr. McBRIDE. That is not the *Wood Duck*; this is a pleasure boat that I bought that I kept over here, and I had an accident with it and I sold it.

Mr. NELLIS. Who does that show you sold it to?

Mr. McBRIDE. I had a man by the name of — oh, yes; Maurice Jones.

I will tell you what I did. I think I traded a car from an agency down in Erie for that boat, Senator.

The man that handled also—Rudy Arnold, who handled the High Level Motors agency, got this fellow and traded the boat for me. That is just a small boat.

Mr. GALLAGHER. What kind of boat is that?

Mr. NELLIS. Now, is this the bill of sale referring to the sale of the yacht *Wood Duck*?

Mr. GALLAGHER. The boat *Wood Duck*.

Mr. NELLIS. The boat *Wood Duck*.

Can you identify that?

Mr. McBRIDE. That is 1947, isn't it?

Mr. GALLAGHER. This is 1947.

Mr. NELLIS. Yes. Is that the other one? I am trying to find out now which boat this is.

Mr. McBRIDE. That ain't the *Wood Duck*.

Mr. NELLIS. Well, is this the *Wood Duck* that you sold to Freddy Angersola?

Mr. McBRIDE. I will tell you; I lent a fellow \$2,500 to buy a boat. Rudy Arnold—

Mr. GALLAGHER. This is the sale of the second boat to Mr. McBride. You can see that this is sold by the Cleveland Boat Service, Inc. That is transferring the boat to him.

Mr. NELLIS. Is that a Richardson boat?

Mr. GALLAGHER. It must be. That is still not the *Wood Duck*.

Mr. NELLIS. How about the 1940 bill of sale that you have there. Is that the *Wood Duck*? Is that your sale to Fred Angersola?

Mr. DEMPSEY. July 1940.

Mr. McBRIDE. That is it.

Mr. NELLIS. All right. May I have these three documents marked in evidence?

Mr. GALLAGHER. Which three documents?

Mr. NELLIS. The ones I just showed you.

Mr. GALLAGHER. What do they have to do with this?

Mr. DEMPSEY. The other two have nothing to do with the *Wood Duck*, Mr. Nellis.

Mr. NELLIS. I want the other two in, also.

The CHAIRMAN. Anyway, it may be that Mr. Nellis has some matter in connection with this person, so—

Mr. GALLAGHER. Well, let's hear what it is before he wants to put it in.

The CHAIRMAN. Well, Mr. Gallagher, if you don't want them put in evidence, object and I will rule on it.

Mr. NELLIS. I will withdraw the other two. Let this one go in.

The CHAIRMAN. No. If you want them in evidence they will be put in at this point.

Mr. NELLIS. I will put them in whenever the chairman wants them.

(Records of transactions re the yacht *Wood Duck*, are identified as exhibit No. 36, and are on file with the committee.)

Mr. GALLAGHER. Well then, let me object, Mr. Chairman, for the reason that I have seen no possible explanation of the relevancy.

The CHAIRMAN. Mr. Gallagher, we are not running the committee on what you see. We are running it on proof that we want to introduce.

Mr. Nellis may have some connection between the matter of who this boat was sold to and something else.

Mr. GALLAGHER. Don't you think Mr. McBride is entitled to hear what that is? He has testified. He has committed no crimes.

The CHAIRMAN. Well, perhaps Mr. Nellis will ask him about it.

But at the present time this *Wood Duck* bill will be put in the record. If Mr. Nellis wants to put the others in for the purpose of future reference, he can do so.

Mr. NELLIS. I will ask a question on this bill of sale dated July 2, 1947. Is that the boat you testified to previously, the Richardson boat?

Mr. McBRIDE. I think it is. I am not sure, but I had another boat that was a Richardson.

Mr. NELLIS. Yes. Well, you have examined this instrument, have you not?

Mr. McBRIDE. Yes.

Mr. NELLIS. Have you ever entertained Al Polizzi, John Angersola, George Angersola on this boat?

Mr. McBRIDE. No, not as I know.

Mr. NELLIS. They have not been down to Florida?

Mr. McBRIDE. That boat was never in Florida. That boat was out here at the yacht club.

Mr. NELLIS. In Cleveland?

Mr. McBRIDE. In Cleveland. That boat never left here.

Mr. NELLIS. Well, did you entertain them here?

Mr. McBRIDE. Not that I know.

Mr. NELLIS. Now, did you ever hear that the yacht *Wood Duck* was used in 1939 by Polizzi, John and George Angersola, for the purpose of illegal flight from an indictment here?

Mr. McBRIDE. I saw it in the newspapers, but the boat was docked at the Fleetwood Hotel at the time, so they couldn't have used the *Wood Duck*.

Mr. NELLIS. What was the basis for the report at the time? Can you explain it to me?

Mr. GALLAGHER. Poor reporting, probably.

Mr. McBRIDE. Poor reporting, probably.

Mr. NELLIS. Did you own the boat at the time?

Mr. McBRIDE. Yes, I did.

The CHAIRMAN. I want to get that straight.

Now, you owned the boat, but it was reported that it was used for flight by them.

Of course, they have skipped now. I don't know where they are now. They are down somewhere in Florida, presumably, but what was it about?

Why did you let them have it, or did you let them have it?

Mr. McBRIDE. I didn't let them have it, Senator. It was docked, and I was using it in Miami at the Fleetwood Hotel.

The CHAIRMAN. Well, did they have a right to use it?

Mr. McBRIDE. No.

Mr. GALLAGHER. Senator, I think you misunderstand. The flight was from up here. The boat was in Florida.

Mr. McBRIDE. To run away from an indictment, and they went down through the canal and the Inland Waterway.

The CHAIRMAN. Why would they be using your boat?

Mr. McBRIDE. It was in Florida.

Mr. DEMPSEY. Senator, the newspaper report was just crazy. The boat was in Florida and they were up here.

The CHAIRMAN. So anyway, your testimony is that it was incorrect reporting.

Mr. McBRIDE. That is right.

Mr. NELLIS. Did you know that they had left this jurisdiction to avoid indictment? They are good friends of yours. Didn't they ever tell you that?

Mr. McBRIDE. No, they didn't. And furthermore, I didn't see them.

Mr. NELLIS. Polizzi never told you that he left this jurisdiction in order to avoid a grand jury indictment: is that right?

Mr. McBRIDE. Now, wait just a minute. Who are you talking about? There are two Polizzis.

Mr. NELLIS. I am talking about Al Polizzi.

Mr. McBRIDE. Was Al indicted at the time?

Mr. NELLIS. No. I am asking you whether you knew that he left Cleveland, allegedly on your boat, the *Wood Duck*, in order to evade indictment?

Mr. McBRIDE. He never did.

Mr. DEMPSEY. Senator, I think Mr. Nellis knows you don't evade indictments by leaving the jurisdiction, a grand jury indictment notwithstanding.

Mr. McBRIDE. He is talking about a man that wasn't indicted, I don't think.

Mr. NELLIS. I am asking you whether or not he went for the purpose of evading an indictment.

Mr. McBRIDE. I couldn't tell you that.

Mr. NELLIS. Or not being present when the grand jury was called.

Mr. McBRIDE. I don't know anything about that.

Mr. GALLAGHER. You haven't stated how he had gone. Mr. McBride stated the boat was in Florida. Let's keep that straight.

Mr. NELLIS. Mr. McBride's testimony is that the boat is in Florida.

Mr. McBRIDE. That the boat is in Florida or was when they were indicted, supposed to have fled in this boat and went to Miami or went elsewhere with it.

Mr. NELLIS. Mr. McBride, what business dealings have you had with M. J. O'Boyle, Martin J. O'Boyle?

Mr. McBRIDE. Martin J. O'Boyle is my neighbor, lived four doors away from me. I lent him \$7,500.

Mr. NELLIS. To do what?

Mr. McBRIDE. He was building a bowling alley I think at the time and run short.

Mr. NELLIS. What was his business before that?

Mr. McBRIDE. I think at one time he was in the bootlegging business.

Mr. NELLIS. After that?

Mr. McBRIDE. I don't think he—he had a saloon and restaurant and bowling alley.

Mr. NELLIS. Did you know that Mr. O'Boyle had a long criminal record at the time you lent him this money?

Mr. McBRIDE. I knew he was sent away for alcohol or something of that kind. I didn't know that he had a criminal record. What else was he sent away for? Marty O'Boyle you are talking about?

Mr. NELLIS. Yes.

The CHAIRMAN. Let's see his record.

Mr. McBRIDE. There are two O'Boyles there. There is a brother, too.

Mr. NELLIS. There is a John O'Boyle, isn't there?

Mr. McBRIDE. Yes.

Mr. NELLIS. Did you know John O'Boyle also?

Mr. McBRIDE. Met him.

Mr. NELLIS. Was he a gambler?

Mr. McBRIDE. I couldn't tell you that.

Mr. NELLIS. Was he a bootlegger?

Mr. McBRIDE. I couldn't tell you that. I just met the gentleman.

Mr. NELLIS. Did M. J. O'Boyle proceed to build a bowling alley with the money?

Mr. McBRIDE. Yes; he built it and completed it.

Mr. NELLIS. Did he pay it back?

Mr. McBRIDE. Pay what back?

Mr. NELLIS. The money you lent him.

Mr. McBRIDE. Oh, no.

Mr. NELLIS. Hasn't paid it?

Mr. McBRIDE. No.

Mr. NELLIS. You made a claim against his estate for the payment of the money?

Mr. McBRIDE. No, I didn't.

Mr. NELLIS. Why is that?

Mr. McBRIDE. The statute of limitations run out on it, No. 1. No. 2 was I never sued nobody I don't think but one fellow in my life. That was a fellow that just tried to take me. It was a small deal. So Marty O'Boyle was a fellow, if you knew him, gentlemen, and anybody in this room that knew him, the mint couldn't make enough money. He would walk in a place, he would say, "Get me a drink," and lay down a hundred-dollar bill and say, "Keep it; ring it up."

Mr. NELLIS. Wasn't that because he was a gambler and accustomed to handling big money?

Mr. McBRIDE. No, he was a hard-working fellow.

The CHAIRMAN. Marty O'Boyle?

Mr. McBRIDE. Yes, Marty O'Boyle.

The CHAIRMAN. Which one did you lend money to?

Mr. McBRIDE. Marty O'Boyle, Marty.

The CHAIRMAN. Is that John O'Boyle?

Mr. McBRIDE. I think that is his brother, Senator. Wait just a minute, so we get this record clear. Has Marty O'Boyle done any time outside of maybe doing a short time for bootlegging?

Mr. NELLIS. We will get to that in a minute. We have it in the file.

The CHAIRMAN. This John O'Boyle, as you see here, has a terrifically long record.

Mr. McBRIDE. Why, he has, Senator. I understand that. I understand that.

Mr. GALLAGHER. Mr. McBride testified he wasn't associated with him.

Mr. NELLIS. You met him?

Mr. McBRIDE. Once.

Mr. GALLAGHER. He had met him but was not associated with him.

Mr. McBRIDE. Once I met him on the street. Marty introduced me to him.

Mr. NELLIS. What business have you had with Mushy Wexler?

Mr. McBRIDE. I had business with Mushy Wexler, of course; he worked for me, to begin with.

Mr. NELLIS. That's right, you testified about that.

Mr. McBRIDE. No. 2, he come to me one time when he was short, he needed \$10,000. I loaned it to him.

Mr. NELLIS. For what purpose?

Mr. McBRIDE. I couldn't tell you that. I think I loaned it to him personally the first time. He come back a short time later, a year or so. He said, "I need some help." He said, "Can you lend me another \$10,000?"

I said, "I will tell you what I will do you with you, Mushy. Go over to the Cleveland Trust Co. and I will sign your note."

Mr. NELLIS. Did he tell you what the purpose of the venture was?

Mr. McBRIDE. No; he didn't. I think it was—he was remodeling his building there. He has got a saloon.

Mr. NELLIS. Did you sign his note at that time at the Cleveland Trust?

Mr. McBRIDE. At the Cleveland Trust. I endorsed the note; yes. He paid it back. He paid it back.

Mr. NELLIS. When was that? Shortly thereafter?

Mr. McBRIDE. It must be 4 or 5 years ago.

Mr. NELLIS. Didn't you have some income from a venture with him in 1944?

Mr. McBRIDE. I don't think so.

Mr. NELLIS. You listed it.

Mr. McBRIDE. It might have been tickets that he bought, football tickets.

Mr. GALLAGHER. Wait a second. Listed what? Wait a second.

Mr. NELLIS. Listed income, a joint venture.

Mr. GALLAGHER. In what?

Mr. NELLIS. With Mushy Wexler.

Mr. McBRIDE. What was it?

Mr. NELLIS. I am asking you, Mr. McBride.

Mr. GALLAGHER. I will ask, What did he list it in?

Mr. NELLIS. In his income-tax return for 1944.

Mr. GALLAGHER. We will have no comment on the tax return, as far as counsel is concerned, from Mr. McBride. We are going to raise section 55 of the Revenue Code if there is any comment made in this public hearing about anything in the returns. There is nothing wrong with them.

Mr. NELLIS. Make your objection.

Mr. GALLAGHER. I am stating my objection. I am putting you on notice.

Mr. NELLIS. What is Code 55? What is your objection?

The CHAIRMAN. Let's not argue. The question is, Did you have an enterprise with Mushy Wexler?

Mr. McBRIDE. How much is the interest on there? I might have charged him——

The CHAIRMAN. Anyway, did you make some substantial amount in some enterprise with Mushy Wexler on some sport news company, wire service company, in which he was the operator?

Mr. McBRIDE. No; I never had the Empire News or anything.

Mr. NELLIS. Sandusky Sport News?

The CHAIRMAN. Think the matter over, Mr. McBride. Mushy Wexler was the Sandusky—

Mr. NELLIS. May I ask a question about Mr. Wexler?

Mr. McBRIDE. I don't know anything about that. I think there is some confusion there, Senator. It might have been the interest on the \$10,000 loan that I made in there.

Mr. GALLAGHER. I can give you a quick answer to your question.

Mr. NELLIS. May I ask the question?

The CHAIRMAN. We will get back to the Sandusky Sports News here.

Mr. NELLIS. Didn't you have some income in 1944 from some kind of a venture with Morris Wexler, whatever the source of it was, whatever the form of it was, whether it was dividends or interest or salaries?

Mr. GALLAGHER. That is different than a venture.

Mr. NELLIS. I am asking Mr. McBride. Do you understand my question?

Mr. McBRIDE. Could you tell me how much I got there? And I can tell you.

Mr. NELLIS. No, sir; I can't tell you how much you got. I am asking you.

Mr. DEMPSEY. Senator, I think there has been testimony that there were loans made and interest paid on them. If that is what is involved, we will endeavor to check it.

Mr. McBRIDE. Yes, \$125.

Mr. NELLIS. Is that interest?

Mr. McBRIDE. He must have paid interest.

Mr. NELLIS. In 1944 on the \$10,000 you lent him; is that it?

Mr. McBRIDE. That's right.

Mr. NELLIS. Now, Mr. McBride, what is the Sandusky Sport News at 34 North Sandusky Street, Columbus, Ohio? Did you ever hear of it?

Mr. McBRIDE. I used to own the Sandusky News. I don't know what that is, Sandusky Sports News. I can't figure what it is unless it is—

Mr. NELLIS. What is the Sandusky News?

Mr. McBRIDE. I sold it to Dudley White.

Mr. DEMPSEY. What is the Sandusky News?

Mr. McBRIDE. It is a paper.

Mr. NELLIS. A newspaper?

Mr. McBRIDE. A newspaper.

Mr. NELLIS. Is it a daily paper?

Mr. McBRIDE. Yes.

The CHAIRMAN. How much income did you make out of that?

Mr. McBRIDE. Oh, yes, I still get income out of it.

I get \$7,500 a year out of that and \$150,000 paid over a period of 10 years.

The CHAIRMAN. Who did you sell it to?

Mr. McBRIDE. Dudley White, who was in Congress I think with you, was he not, Mr. Senator?

The CHAIRMAN. I don't remember Mr. White.

Mr. DEMPSEY. It is a daily newspaper of general circulation in Sandusky.

Mr. McBRIDE. Yes, afternoon newspaper.

Mr. NELLIS. Have you ever had any business dealings with the Sandusky Sports News at 34 North Sandusky Street, Columbus, Ohio?

Mr. McBRIDE. Columbus, Ohio?

Mr. NELLIS. Yes, Columbus, Ohio. Oh, I am sorry, Sandusky, Ohio, 34 North Sandusky Street.

Mr. McBRIDE. I think we keep some—I don't know of anything there. I can't figure out what it is unless you can enlighten me.

Mr. NELLIS. Do you know John Chiare? Have you met John Chiare?

Mr. McBRIDE. I can't place the man.

Mr. NELLIS. C-h-i-a-r-e of Sandusky or Columbus.

Mr. McBRIDE. I might know him under some other name or might know him but I can't place him.

The CHAIRMAN. Did this outfit or any down there that you had an interest in have any wire service, Mr. McBride?

Mr. McBRIDE. Never had no wire service, never had any wire service, that is, for a bookmaker.

The CHAIRMAN. I mean a subdistributor.

Mr. McBRIDE. I never had any.

The CHAIRMAN. Wire service and pass it on to somebody else?

Mr. McBRIDE. No.

The CHAIRMAN. But you say that you had no interest in any place in Columbus or anywhere else?

Mr. McBRIDE. Outside of owning the newspaper in Sandusky, the afternoon newspaper.

The CHAIRMAN. They didn't get any wire service for the purpose of passing it on to bookmakers?

Mr. McBRIDE. No.

Mr. NELLIS. Mr. Chairman, I would like at this time to introduce in evidence a wire chart showing the services of Continental Press to an Ohio distributor. Unfortunately, Mr. Wexler is still evading the subpoena of this committee and so we are going to be deprived for the time being of his testimony. However, another source of this information, Mr. Chairman, is the McFarland report, and it shows the Continental Press distributing horse race wire results to Empire Service Co., of which the missing witness is in charge, and then fanning it out to these people.

I take it these are fictitious names. Our investigation has not disclosed any identity for J. E. Edwards, William Kirtland, Crowley Publishing, or Periodical Distributors.

From these drops, Western Union, one ticker circuit, 874 miles, we have 68 drops from Steubenville, Ohio, which services these cities.

I am going to hold it up in a minute, gentlemen, so you can see it.

Kirtland, 414 Ninth, Chester Building, Cleveland, Ohio, has one unequipped circuit, 118 miles, services 49 drops. That services the City of Cleveland, Ohio, and Cuyahoga County.

The Crowley Publishing Co. of Steubenville is another one. Steubenville, as you have observed, has one ticker, services 565 miles and 35

drops with these cities of Pennsylvania, Kentucky, West Virginia, Ohio. And that's it.

Now, Periodical Distributors of Newport, Ky., that is a very important place for this information to be, as will be developed in later testimony, services the area of Cincinnati and Newport, Ky., with 7 Morse circuits, 22 miles, 27 drops, and the following areas.

Mr. Chairman, these two are the crucial cities there as we will develop.

The CHAIRMAN. You mean Newport and Covington?

Mr. NELLIS. Yes, sir, Covington, Ky., and Newport.

The CHAIRMAN. Let this chart be made a part of the record and you can refer to it.

(The chart identified was thereupon received in evidence as exhibit No. 37, and appears in the appendix on p. 456.)

Here is a picture you may be interested in seeing.

Mr. McBRIDE. This is all right. What's wrong with it? What's wrong with it?

The CHAIRMAN. I showed you a picture. I didn't intend to file it unless you want it filed.

Mr. McBRIDE. Let me look at it again.

The CHAIRMAN. Is that a picture of you?

Mr. McBRIDE. I misunderstood you.

The CHAIRMAN. Who are some of the people in it? Where was it taken?

Mr. McBRIDE. It was taken in Coral Gables. There was Judge Giblon there and his wife, my son.

The CHAIRMAN. Al Polizzi?

Mr. McBRIDE. Yes, Al Polizzi. That's him right, here, Al Polizzi. That's Bob Vinn.

Mr. GALLAGHER. Who is this fellow?

Mr. McBRIDE. That's Art.

The CHAIRMAN. Speak up louder. I have been showing you the picture. I didn't know where it was.

Mr. McBRIDE. It was in Coral Gables, at a church. That was coming out of the church after they got married.

The CHAIRMAN. This Robert G. Vinn is manager of the radio station WMIE which is your radio station?

Mr. McBRIDE. That's right, Senator.

The CHAIRMAN. We have been referring to the picture, so let's just put that in evidence.

(The picture identified was thereupon received in evidence as exhibit No. 38, and is on file with the committee.)

Mr. NELLIS. Mr. McBride, will you relate to the committee the circumstances surrounding how you happened to come into Continental Press Service?

Mr. McBRIDE. Well——

Mr. GALLAGHER. May I ask a question? Are we going to start taking up the Continental picture now?

Mr. NELLIS. No, let him answer the question.

Mr. GALLAGHER. I was going to say that is going to be lengthy. I wonder if we could have a 5-minute recess for a drink of water.

The CHAIRMAN. All right. We will have a 10-minute recess.

(Short recess.)

The CHAIRMAN. The committee will come to order.

Mr. NELLIS. Before we recessed, Mr. McBride, I asked you to tell me how you happened to get into the Continental Press service.

The CHAIRMAN. Just tell us what happened, Mr. McBride, how you got in the Continental Press, and what you did with your interest.

Mr. McBRIDE. Well, one night—my mother was sick, she had cancer, and I used to go to Chicago every week, so on one of the week-end trips up there—my mother raised Tom Kelly's boy and his daughter, the mother died at childbirth, so Kelly happened to come in. I would say it was in November, the early part—before the 15th, I know.

Mr. NELLIS. What year, Mr. McBride?

Mr. McBRIDE. 1939, I think. To make sure, I got it right here. In 1939. The early part, I would say it would be about the 10th or 12th of November 1939.

Mr. NELLIS. Go ahead, sir.

Mr. McBRIDE. So he told me about Mr. Annenberg was thinking about giving it up.

Mr. NELLIS. What was the name of his service?

Mr. McBRIDE. Nation-wide.

So Tom come in that night and—my mother first told me about Annenberg giving it up, I think—Tom come in that night and he talked to me about it, and I said, "Well, Tom, what do you think of it?"

He said, "Well, we are going to throw a lot of people out of work," he said, "Including me."

He said, "You know John Gordon and Abe Jaffe and them fellows pretty well."

I said, "I do."

He said, "Gee, somebody ought to start from where they left off at and follow it through on it."

So I said, "Well, I will talk to you later."

So, my mother before I left she said, "You ought to try to do something. It is no use getting all them fellows thrown out of the job."

So I said, "All right."

I went back to Cleveland, came back the next week, talked to Kelly and went down to the General News office. That was on about the 14th, I would say. This might have been the 10th the gossip started.

Mr. NELLIS. Whose office did you go to, sir?

Mr. McBRIDE. I went to Ragen's office at 512 South Dearborn Street. There I met young Ragen, James Ragen, Sr., and Tom Kelly, I think. So we sat down, and—

Mr. NELLIS. Was anybody else there at that time, Mr. McBride?

Mr. McBRIDE. I don't know whether there were or not.

We sat down and we discussed it. They wanted me to go into it, and I said, "Well, I don't know whether I want to go into it or not." I said, "I'll tell you, I got a lot of things to do. It is a big undertaking. I don't know whether it will click or not, may have a lot of trouble."

So I said to James Ragen, Sr., I said, "Jim, will you run it if I go into it? He said, "No, I can't." I said, "Why?" He said, "Well, I am in trouble."

Well, I said to James Ragen, Jr., I said, "Jim, you have been in this business all your life. This is the only thing you have ever done. How about you running it?"

Mr. NELLIS. What kind of trouble did he say he was in?

Mr. McBRIDE. Ragen?

Mr. NELLIS. Yes.

Mr. McBRIDE. I think he was indicted for income tax. The case hadn't been tried yet, or he was on probation, either one or the other. I don't know which at this time?

So I finally said, "All right, I will take a chance at it, and we will start off, and we will see where we go."

From there I went to the lawyer's office, talked to them.

Mr. NELLIS. Who were they?

Mr. McBRIDE. Arthur.

Mr. NELLIS. Pardon me, what was the firm?

Mr. McBRIDE. The firm was Kahn, Dillon and Arthur, I think, but Arthur was the fellow—

Mr. NELLIS. Where were they located, in Chicago?

Mr. McBRIDE. In Chicago Title & Trust Building.

Mr. NELLIS. Just the city.

Mr. McBRIDE. So I said to Arthur—he was a very able fellow, a brief man, a good lawyer—I said, "Arthur, I am thinking about going in this business and starting it and see what I can do with it. Which is the best way to start it? I want to get away—I think there can be enough made here on scratch sheets and newspapers and other publications to make a fair living out of it." I said, "What would you think of—how would be the best way to set this up?"

So he said, "Well, I think the logical thing to do would be to sell it to nobody but scratch-sheet operators."

Mr. NELLIS. Pardon me?

Mr. McBRIDE. I said that he said, "I think the logical thing to set this up is to sell it to nobody but scratch-sheet operators, and that is all."

Well, I have another lawyer here who I have a lot of confidence in, by the name of Merrick. He is with the firm of Halle, Haber & Merrick.

Mr. HALLEY. Pardon me. Once before I had to clarify the record. That is not this Halley.

Mr. McBRIDE. That's right.

Mr. NELLIS. It is spelled Halle.

Mr. McBRIDE. I think he spells it that way, is that right, Mr. Halley, I think he spells it the same as you do.

Mr. HALLEY. I just know it is not me.

Mr. McBRIDE. I had come back to Cleveland in the meantime and I talked it over with Merrick, who, as a lawyer's lawyer is a good man, a good brief man.

So Morris said, "Mickey, I think it is all right. I can't see any harm in it."

So I went back to Chicago by plane, went back, and I said, "All right, I am ready, boys. Let's get the boys together."

So we called in half a dozen boys that had charge of different territories.

Mr. NELLIS. Who is that, Mr. McBride?

Mr. McBRIDE. Well, we called in Brophy, Al Goodman.

Mr. NELLIS. Where is he from?

Mr. McBRIDE. Al Goodman is or had the Metropolitan News Service. He was in the East.

Mr. NELLIS. What city?

Mr. McBRIDE. New York, N. Y., and Philadelphia.

Mr. NELLIS. Would you identify these people as you go so I don't have to interrupt?

Mr. McBRIDE. That's right.

Tom Clark. He took the territory around Rochester and that territory. He had certain territory that he took.

Wexler took Ohio. Al Jaffe took Indiana and that territory around there. Bill Wynch took the Miami Publishing Co. That was St. Louis and southwest through that country, and Brophy had practically everything west.

So that was the set-up.

Mr. NELLIS. You settled in California?

Mr. McBRIDE. Yes.

Mr. NELLIS. What happened then? Did you pay somebody for it?

Mr. McBRIDE. I come back and made a deposit of \$20,000 and started the Continental News Service. That was on November 20, 1939. I think it went out of business on the 15th of November 1939.

Mr. NELLIS. You mean Nationwide?

Mr. McBRIDE. Nationwide. Either it is the 14th or the 15th. It was out of business about 4 or 5 days.

Mr. NELLIS. How much did you pay for it—\$20,000?

Mr. McBRIDE. I put in \$20,000 to start it.

Mr. NELLIS. What was the total purchase price?

Mr. McBRIDE. There wasn't no purchase price. I paid nothing for it whatsoever.

Mr. NELLIS. What was the business of this interest you were buying? What were they engaged in doing?

Mr. McBRIDE. I didn't buy any business. I started a new business. I started what they called the Continental Press.

Mr. NELLIS. You bought whatever there was from Nationwide?

Mr. McBRIDE. I didn't buy anything from Nationwide, not as much as a toothpick.

Mr. NELLIS. You started a new business?

Mr. McBRIDE. I started a new business.

Mr. NELLIS. What was the purpose of this new business?

Mr. McBRIDE. The purpose of this new business was to see that my brother-in-law and some other friends that I worked with for a long time would at least have a job at that time. It wasn't a long-range program with me at that time.

Mr. NELLIS. What was the function of the business? What did it do? Did it manufacture automobiles or——

Mr. McBRIDE. No. The business gathered news of all sports.

Mr. NELLIS. What kind of news?

Mr. McBRIDE. Racing news, baseball, football, all kinds of sporting news, and sold it to the United Press, the AP, six scratch sheets.

Mr. NELLIS. By what means did it gather the news?

Mr. McBRIDE. It got the news out of the race track.

Mr. NELLIS. How?

Mr. McBRIDE. By either going in and paying a concession price or taking it out otherwise.

Mr. NELLIS. Where did it distribute this news?

Mr. McBRIDE. To the scratch-sheet operators.

Mr. NELLIS. The other men you have mentioned?

Mr. McBRIDE. The other men I have mentioned.

Mr. NELLIS. What did they do with it?

Mr. McBRIDE. They run their scratch sheet with it.

Mr. NELLIS. What do you mean they run their scratch sheet?

Mr. McBRIDE. They got out a scratch sheet that they sold to the public.

Mr. NELLIS. Didn't they send that information out elsewhere?

Mr. McBRIDE. I imagine they did.

Mr. NELLIS. Well, didn't you know what they were doing?

Mr. McBRIDE. I imagine that they——

Mr. NELLIS. What were they doing, Mr. McBride? Let's not fence. Tell me what the persons who purchased——

Mr. McBRIDE. I know what you are driving at. I never have been in a bookmaking joint in 25 years.

Mr. NELLIS. I have no doubt of that.

Mr. McBRIDE. All right. That is No. 1.

Mr. NELLIS. That may be very true.

Mr. McBRIDE. They bought the news, and no doubt they sold it to other people. Now, who they were I don't know.

Mr. NELLIS. They bought the news and sold it to other people?

Mr. McBRIDE. That's right.

Mr. GALLAGHER. Were any of them bookmakers?

Mr. McBRIDE. Many of them were probably bookmakers; there is no question about it. Certainly it eventually got to bookmakers.

Mr. NELLIS. Now, you held that Continental Press. Did you actively engage in its management?

Mr. McBRIDE. Well, I had Kelly in Cleveland, I had young Ragen in Chicago.

Mr. NELLIS. Did you take any active part at that time?

Mr. McBRIDE. Yes.

Mr. NELLIS. What were your duties?

Mr. McBRIDE. Trying to get money in and trying to keep it going. We had tough struggling, too.

Mr. NELLIS. It was not a profitable venture?

Mr. McBRIDE. It didn't lose money, but it didn't make much.

Mr. NELLIS. Roughly, how much did it make the first year you had it?

Mr. McBRIDE. Oh, I think in them years—I think it made \$16,000 one year. Now, this is roughly. It didn't make money.

Mr. GALLAGHER. I think it ran around 16,000 the first year and 41,000 the second year, another year 31 and 60.

Mr. NELLIS. All right; we have an idea.

Now, Mr. McBride, you took an active part in the management of this business for a while; is that right?

Mr. McBRIDE. That's right.

Mr. NELLIS. Did you continue to have an active part in it until the time——

Mr. McBRIDE. You mean up to the time that I sold it to young Ragen?

Mr. NELLIS. Yes.

Mr. McBRIDE. I had an active part in it up until the time I sold it to young Ragen.

Mr. NELLIS. What happened then? You sold it to young Ragen about what year?

Mr. McBRIDE. I took in young Ragen as a partner, I think, in 1941, and I sold out in 1942. I sold—well, cut this 1941. I sold out to young Ragen on August 22, 1942.

Mr. NELLIS. You sold out to him?

Mr. McBRIDE. Yes.

Mr. NELLIS. How much did you get for that interest?

Mr. McBRIDE. Well, Ragen had worked prior—for the period of 3 years and didn't take anything out of the business, and they owned what they call Teletimer. At that time it looked like it would be a great thing. He owned half interest in Teletimer with a man by the name of Smuckler, and Teletimer was a machine that took pictures of the horses from the time they started until they finished, and their idea—Ragen's idea—was that it would take the place of racing form for no other reason than the racing form only gives you past performances on the one, two, three horse. This would give you the past performance on the eighth, ninth, and tenth horses, whatever horses were in the race.

So it looked like it might develop into a great thing, but it didn't.

So I took that and I allowed him his salary of whatever it was, and he took it over from me. I think I got my \$20,000 back that I put in originally to start it.

Mr. NELLIS. What happened then?

Mr. McBRIDE. Then he had it until—he was sole owner until October 31, 1943, when he added two partners.

Mr. NELLIS. Who were they?

Mr. McBRIDE. James Ragen, Sr., and Eddie McBride.

Mr. NELLIS. Eddie McBride is your son?

Mr. McBRIDE. That is right.

So he asked me—or young Ragen came in here and he came to Cleveland, and he said, "Now, my dad has been talking to me. He wants you to go back in Continental."

I said, "No; I don't want it. I got a lot of things to do."

He said, "Well, put one of your family in it. Put Eddie in it."

I said, "Well, I don't know whether Eddie would want it or not. He is just going to war, and I don't know whether the boy wants it or not. His mind is confused and all."

So he said, "I won't have it any other way but for one of the family to take an interest."

I said, "How can the family help you?"

He said, "Strictly an investment. I will run it. James and I will run it. Eddie will get no salary. We will give him a third of the profits."

I said, "Well, what price are you going to put on it, Jim?"

He said, "\$50,000."

I said, "I will talk to Eddie."

I went home and talked to Eddie, and I called him up, I think, and went to Chicago and sat down with him. I said, "All right, Eddie will take a third."

Mr. NELLIS. What happened next?

The CHAIRMAN. How much was paid?

Mr. McBRIDE. \$16,000, or \$16,033, I think. In that figure. It was a third of 50, Senator.

I said, "Well, now, Jim, you know Eddie can't be active in it, and you can't get no help from me. I got enough things to take care of."

He said, "Eddie will never have to do a thing. Jim and I will take a salary out of it. Eddie does nothing."

I said, "How much of a salary do you think you will have to have?"

He said, "I will have to have \$1,000 a week, and I think Jim ought to have \$500."

I said, "That's all right. I will talk that over with Eddie."

And Eddie said, "That's all right."

Mr. NELLIS. You talked this all over with Eddie?

Mr. McBRIDE. Why, certainly, I was going to talk it over with him.

Mr. NELLIS. How old was he at that time?

Mr. McBRIDE. I would say about 19, maybe 20; I don't know.

Mr. NELLIS. Was he going to school?

Mr. McBRIDE. He was at Notre Dame, but he was drafted and sent to war. He spent 3 years and 11 months in the Army as a gunner.

Mr. NELLIS. You talked that over with him at that time?

Mr. McBRIDE. Yes; sure.

Mr. NELLIS. And he agreed; is that right?

Mr. McBRIDE. That's right.

Mr. NELLIS. What happened next, Mr. McBride? You went into the deal, didn't you?

Mr. McBRIDE. Yes.

Mr. NELLIS. What happened after that?

Mr. McBRIDE. Well, Ragen, Sr., and James Ragen, Jr., run it.

Mr. NELLIS. That was from 1943 on?

Mr. McBRIDE. Yes.

Mr. NELLIS. What year was James Ragen, Sr., killed?

Mr. McBRIDE. I think 1947.

Mr. DEMPSEY. 1946.

Mr. McBRIDE. 1946.

Mr. NELLIS. 1946. Do you know anything of the circumstances of that homicide?

Mr. McBRIDE. I know that they pulled up alongside of him and shot him—Thirty-ninth and State in Chicago.

Mr. NELLIS. Have you any idea why anyone should do that?

Mr. McBRIDE. No; I haven't.

Mr. NELLIS. Have you ever thought about it?

Mr. McBRIDE. Sure, I thought about it.

Mr. NELLIS. He was a good friend of yours, was he not?

Mr. McBRIDE. That's right.

Mr. NELLIS. You have known him for years?

Mr. McBRIDE. That's right.

Mr. NELLIS. He was instrumental in a large number of your transactions prior to that time; isn't that right?

Mr. McBRIDE. That's right—just what do you mean?

Mr. NELLIS. You were in business transactions with him prior to that time, weren't you? You just testified that you were.

Mr. McBRIDE. Just a minute. What business do you mean?

Mr. NELLIS. Ones you just testified to.

Mr. McBRIDE. Yes.

Mr. NELLIS. And you thought highly of him, didn't you?

Mr. McBRIDE. Very highly.

Mr. NELLIS. Do you ever wonder what happened? Have you ever wondered?

Mr. McBRIDE. Yes; I have wondered.

Mr. NELLIS. You have no theories on it?

Mr. McBRIDE. I don't have any.

Mr. NELLIS. All right, sir. Did there come a time when young McBride, Edward McBride, took over the entire enterprise?

Mr. McBRIDE. That's right.

Mr. NELLIS. Tell me about that.

Mr. McBRIDE. I think sometime in March of 1947 young Ragen and Arthur came to Miami and visited me, called me up, with Tom Kelly; or Tom come alone, I don't know which. James Ragen, Jr., wanted to get out, and he wanted to know if Eddie would buy it. It seems as though, in the contract that they had drawn, that had either one of them died that the other had first option to buy his part of it, and that was made on the theory of keeping out people that were undesirable so they couldn't get their foot in the door and want to run this business.

So they talked to me about buying it, and I said, "Well, I don't know. I will talk to Eddie, see what he has to say."

They put a price on it, I think, at that time. So I said, "I will tell you what you do. I am going to leave here. I imagine the latter part of March I will be up in Cleveland."

We set a date, and I met them. I met Arthur, Kelly, and I think James Ragen, Jr. I'm not positive, but I think he was there.

Mr. NELLIS. Did you talk this over with Eddie?

Mr. McBRIDE. I talked it over with Eddie in the meantime, and I said, "Eddie, what do you think of it?"

And he said, "Well, I will be getting out of school. I will have to have some place to go."

He said, "I will take a shot at it if you think that it would be all right."

I said, "Well——"

Mr. NELLIS. Would you say you had several conferences with him during this time and the previous time?

Mr. McBRIDE. With who?

Mr. NELLIS. With Eddie.

Mr. McBRIDE. No; I don't think I had several.

Mr. NELLIS. But you discussed it with him?

Mr. McBRIDE. I discussed it with him.

Mr. NELLIS. He testified previously before the FCC and the committee here that he didn't know anything about it.

Mr. McBRIDE. I don't know anything about it. Tom Kelly runs it. You are talking about the operation of the business?

Mr. NELLIS. But you discussed it with him; you must have——

Mr. McBRIDE. I didn't discuss the operations with him.

Mr. NELLIS. Didn't you discuss what business you were going into?

Mr. McBRIDE. I discussed the Continental Press, which was a news service.

Mr. NELLIS. He must have had to have some judgment on what he was getting into in order to advise you intelligibly on whether or not he wanted to——

Mr. DEMPSEY. May I suggest, Mr. Nellis, that you are attempting to make an argument with the witness.

The CHAIRMAN. As I remember, the young man testified he didn't remember anything about the operations of it, and he really didn't remember anything much about what he was buying. He just signed a lot of papers and got the business.

Mr. McBRIDE. That could be true. The boy had never had nothing to do with the business from an operation standpoint. He knew it was a news service.

The CHAIRMAN. He left everything to you and Uncle Tom?

Mr. McBRIDE. That is about right. That is absolutely right.

Mr. NELLIS. Go ahead. What happened then?

Mr. McBRIDE. We bought the business.

Mr. NELLIS. Who is "we"?

Mr. McBRIDE. I mean he bought the business.

Mr. NELLIS. Eddie bought the business?

Mr. McBRIDE. Yes.

Mr. NELLIS. Where did he get the money?

Mr. McBRIDE. He didn't have to have any money.

Mr. NELLIS. How much did he pay for it?

Mr. McBRIDE. The contracts are there, I think.

Mr. NELLIS. Can't you just tell me, Mr. McBride?

Mr. GALLAGHER. Can't we use your exhibit which you prepared from the documents we gave you in Chicago?

I think that would be a little helpful.

Mr. NELLIS. Can you tell us——

Mr. GALLAGHER. I doubt that he remembers it, frankly. If you want it roughly——

Mr. NELLIS. Advise with Mr. McBride, and perhaps you can refresh his memory.

Mr. McBRIDE. To the Ragen estate he paid \$215,000 in nine annual payments plus 6 percent interest, and James Ragen, Jr., the later price being \$130,000 in 10 annual payments plus 6 percent interest.

Also a James Ragen, Sr.-Edward McBride noncompetitive contract under which Ragen was to receive \$5,000 a year for 5 years.

Mr. NELLIS. \$200,000——

The CHAIRMAN. \$215,000.

Mr. McBRIDE. To the Ragen estate.

Mr. DEMPSEY. Total of some 360.

Mr. NELLIS. Yes; about 360, but \$200,000 plus those other items——\$215,000.

Where did he get the money to buy that business?

Mr. DEMPSEY. Mr. Nellis, it is paid periodically out of the business.

Mr. McBRIDE. It is shown here.

Mr. GALLAGHER. It is paid out of the net income.

Mr. McBRIDE. When he bought the business, he bought whatever he had in the business, the houses he had, the property they had, whatever cash they had, and everything else.

Mr. GALLAGHER. To be paid out of income.

Mr. McBRIDE. To be paid out of income.

Mr. NELLIS. That is the information I want.

Mr. McBRIDE. That's right.

Mr. GALLAGHER. They are in the contracts.

Mr. McBRIDE. Mr. Halley knows all that.

Mr. NELLIS. Has he taken no active part in this business?

Mr. McBRIDE. Not yet; no.

Mr. NELLIS. I think that is all I have, Mr. Chairman.

The CHAIRMAN. The first \$16,000—you put that up for him?

Mr. McBRIDE. Yes; I did, Senator. I loaned it to him and got a note.

Mr. GALLAGHER. He paid it back with interest?

Mr. McBRIDE. Yes.

Mr. HALLEY. I have been wondering, Mr. McBride. You say that when you had the Continental Press it wasn't very profitable; is that right?

Mr. McBRIDE. That's right.

Mr. HALLEY. And then you sold out to Ragen, Jr.?

Mr. McBRIDE. That's right.

Mr. HALLEY. And then about a year later Ragen, Sr., came here and said he wanted you in the picture?

Mr. McBRIDE. That's right.

Mr. HALLEY. All the deals with the juniors look to me like fronts for a lot of transactions between the seniors; isn't that right?

Mr. McBRIDE. Well, they might look like that to you, but the seniors—I am one senior, I never got a penny out of it, so therefore I couldn't be in the business.

Now, the other business——

Mr. HALLEY. The seniors did all the talking, did they?

Mr. McBRIDE. Mostly all.

Mr. HALLEY. Not mostly; they did——

Mr. McBRIDE. Yes.

Mr. HALLEY. I don't know about Ragen, Jr., but certainly McBride, Jr., didn't open his mouth at any time. That is his testimony and everybody else's.

Mr. McBRIDE. That's right.

Mr. GALLAGHER. Isn't it a fact that the Treasury Department, as you know, has checked these returns with Edward back through 1949 and found that he has paid his tax on it and received money on it and——

Mr. HALLEY. Please. You know very well what I am getting at. Let's not argue, and let's get along.

Mr. McBRIDE. I set him up in business; we will put it that way.

Mr. HALLEY. Sure you did, and you arranged it with Ragen, Sr.?

Mr. McBRIDE. That's right.

Mr. HALLEY. So that any talking as far as policies are concerned was between Ragen, Sr., and McBride, Sr.; is that right?

Mr. McBRIDE. No, sir. I had no policy at all. What do you mean, policy?

Mr. HALLEY. The policies of making the sales and making the purchases.

Mr. McGUIRE. That's right.

Mr. HALLEY. That is what I am talking about at the moment.

Mr. McBRIDE. That's right.

Mr. HALLEY. And then in 1943 when Ragen, Sr., and McBride, Sr., decided that McBride, Jr., would buy one-third interest in the Continental Press. I think you have just testified that was because Ragen, Sr., felt that he wanted some member of your family in the picture; is that right?

Mr. McBRIDE. I think so.

Mr. HALLEY. You made it clear to Ragen, Sr., that you had no time or energy for Continental Press at that time?

Mr. McBRIDE. Think so; yes.

Mr. HALLEY. And you made it clear that your son had no time or energy for it?

Mr. McBRIDE. Therefore he would draw no salary, Mr. Halley.

Mr. HALLEY. Despite that, Ragen, Sr., wanted some member of your family in the picture; is that right?

Mr. McBRIDE. That's right.

Mr. HALLEY. I can't understand why.

Mr. McBRIDE. Well, we had been friends for a long time. That would be No. 1.

Mr. HALLEY. That is not a very good reason, is it?

Mr. McBRIDE. I don't know. I can't tell what was going through the man's mind, but we have been very friendly.

Mr. HALLEY. Let's go back a bit. During the war the Capone gang in Chicago began to regain strength, didn't it?

Mr. McBRIDE. That was what war are you talking about?

Mr. HALLEY. World War II.

Mr. McBRIDE. I don't know anything about it.

Mr. HALLEY. You remember it was quite a powerful gang originally when Al Capone was alive; that is the matter of common knowledge; and then suffered somewhat of a decline after Capone——

Mr. McBRIDE. I wouldn't know anything about it.

Mr. HALLEY. Went to jail.

Well, you read the newspapers, don't you?

Mr. McBRIDE. Yes; but I never read that in the newspapers.

Mr. HALLEY. You don't think they had any decline at all?

Mr. McBRIDE. I don't know. I couldn't tell you. I don't remember.

Mr. HALLEY. And that they remained really powerful throughout?

Mr. McBRIDE. I don't know what happened.

Mr. HALLEY. Well, James Ragen was a pretty good friend of yours, wasn't he?

Mr. McBRIDE. That's right.

Mr. HALLEY. As a matter of fact, Tom Kelly is related to you by marriage; is that right?

Mr. McBRIDE. Yes.

Mr. HALLEY. He married your sister?

Mr. McBRIDE. That's right.

Mr. HALLEY. And Tom was really Ragen's right-hand man?

Mr. McBRIDE. That's right.

Mr. HALLEY. And Ragen didn't get along very well with the Capone gang, did he?

Mr. McBRIDE. He had friction.

Mr. HALLEY. Well, enough friction to get Ragen bumped off, in fact?

Mr. McBRIDE. Well, I don't know who bumped him off.

Mr. HALLEY. Well, isn't it a fact?

Mr. McBRIDE. I don't know, Mr. Halley. I couldn't say.

Mr. GALLAGHER. We have gone through this before in Chicago and elsewhere. Now you are stating, "Isn't it a fact?"

How can this man know what is a fact if the Police Department of Chicago and the district attorney never——

The CHAIRMAN. It is easy for him to say whether he knows or not.

Mr. HALLEY. I am willing to stipulate for the record that we have proved all this in Chicago, but we have a new witness here, and I think for the record we should get his views.

Mr. DEMPSEY. If you proved the killèr of Ragen in Chicago, you must have failed to notify the police, because they haven't arrested him yet.

Mr. HALLEY. Thank you.

Now, I think we proved this in Chicago. Did you read the record?

Mr. McBRIDE. What record?

Mr. HALLEY. Of the Chicago hearings?

Mr. McBRIDE. Not all of them, Mr. Halley. I read some of it.

Mr. HALLEY. You are represented, of course, by the same counsel who represented Continental Press?

Mr. McBRIDE. That's right.

Mr. HALLEY. And have been for some time?

Mr. McBRIDE. That's right.

Mr. HALLEY. In Chicago it was brought out, as your counsel undoubtedly advised you, that Mr. Ragen made a statement to the police—

Mr. GALLAGHER. I will state I made no statement to Mr. McBride about that at all.

Mr. HALLEY. Well, I will tell him.

Mr. GALLAGHER. All right.

Mr. HALLEY. Will you keep quiet long enough for me to tell him?

Now, in Chicago it was testified that McBride made a long, detailed—

Mr. McBRIDE. That Ragen—

Mr. HALLEY. That Ragen made a long detailed statement to the police, that he was in mortal fear of his life from members of the Capone gang.

He specifically mentioned Di Carlo, Humphries, Guzik.

Tom Kelly testified, and Dan Serritella—Do you know Dan Serritella?

Mr. McBRIDE. Yes, I do.

Mr. HALLEY. Testified in corroboration of Ragen's fears. Serritella testified about being a go-between in conversations between Ragen and Guzik, and Ragen testified about attempts made by Serritella to arrange meetings between him and DiCarlo.

Are those matters all known to you?

Mr. McBRIDE. No; they haven't been known to me.

Mr. HALLEY. Don't you think it has been your business to know those things about the affairs that you put your son into?

Mr. DEMPSEY. Mr. Halley, may I ask that you clear the record?

Mr. Kelly we represented.

Mr. Serritella's testimony is unknown to us.

Mr. McBRIDE. I know Mr. Halley, there was trouble, but I don't know what it was about.

Mr. HALLEY. Did not even Tom Kelly tell you that Mr. Ragen was practically, I think, to quote Tom Kelly, that Ragen was practically living with agents of the FBI for many months before he was killed?

Mr. McBRIDE. I heard that, yes.

Mr. HALLEY. And then Ragen was killed?

Mr. McBRIDE. That's right.

Mr. HALLEY. I have been trying to ascertain or to work up to my own thinking whether or not the reason Ragen needed McBride in Continental Press was to get some friends who could talk to the Capone mob.

Mr. DEMPSEY. Mr. Halley, aren't you confusing the dates?

Mr. HALLEY. Let me ask the question. I made the statement—

Mr. DEMPSEY. The statement was in 1943 you are talking about. This other business is 1946.

Mr. HALLEY. It was brewing. It started brewing earlier.

Mr. DEMPSEY. That is new testimony, then.

The CHAIRMAN. Let him ask the question.

Mr. McBRIDE. For the record I don't know anybody in the Capone gang. Does that clear it up?

Mr. HALLEY. Well, not quite. What have your relations been with Al Polizzi?

Mr. McBRIDE. Well, as I told you before, Al Polizzi sold papers for me. I knew him for a period of over 30 years, and we were always very friendly.

Mr. HALLEY. You had various business transactions, as you testified?

Mr. McBRIDE. Real-estate business.

Mr. HALLEY. Real estate?

Mr. McBRIDE. That is about all that I can think of.

Mr. HALLEY. In effect, you trusted each other and dealt with each other?

Mr. McBRIDE. He was a good worker.

Mr. HALLEY. On a friendly basis?

Mr. McBRIDE. That is right. He was a good worker and I always admired the fellow.

Mr. HALLEY. And I think that you have testified that you were on pretty friendly terms with one of the King brothers.

Mr. McBRIDE. That is right; with all three of them, but with two particularly.

Mr. HALLEY. And which were the two particularly?

Mr. McBRIDE. Freddy King worked for me on the News for a period of years in the circulation department. He had charge of the east side.

When I went in the cab business, he went in the cab business as a road man.

Johnny, I knew him from the time he cleaned the buildings. I was friendly with him during those years.

Mr. HALLEY. Now, did your friendship with Angersola and Polizzi have anything to do with Ragen's insistence that you get back into the picture and help out?

Mr. McBRIDE. No.

Mr. HALLEY. I can't for the world see what he needed you for if you weren't going to do any work, if your son wasn't going to do any work.

Mr. McBRIDE. Well, a lot of times friends want you to go in certain things because you have been friendly with them for a long time.

Mr. HALLEY. Just for good old friendship?

Mr. McBRIDE. Well, we have been pretty friendly.

Mr. HALLEY. You have been pretty friendly. Now, Ragen didn't need money?

Mr. McBRIDE. No, I don't think he did.

Mr. HALLEY. He had plenty of money.

Mr. McBRIDE. Well, I don't know whether he had cash or not. He had securities, I guess.

Mr. HALLEY. The deal wasn't to get money into Continental?

Mr. McBRIDE. No.

Mr. HALLEY. It was to get you, your family, into Continental; is that right?

Mr. McBRIDE. Apparently so, yes.

Mr. HALLEY. And wasn't Ragen hoping that if any shooting started, he could hide behind the skirts of the McBrides?

Mr. McBRIDE. I don't think so.

Mr. HALLEY. Didn't he ever tell you that?

Mr. McBRIDE. No, definitely not. No.

Mr. GALLAGHER. May I ask a question? Isn't it true that after a time that Teletimer stock which you took, along with \$25,000 you put up, looked to be and became a worthless set-up?

Mr. McBRIDE. Yes.

The CHAIRMAN. Became a what?

Mr. GALLAGHER. Became a worthless set-up.

Mr. McBRIDE. In other words, it didn't work out like we thought it would.

Mr. DEMPSEY. I think, Senator, that it is important just for the record to have the chronology.

Mr. Ragen, Sr., and Eddie McBride, Jr., came in as partners at the same time in 1943. I have never heard until today any suggestion that any trouble between Ragen and anybody over Continental Press started before late 1945.

Mr. HALLEY. Ragen wasn't getting along with the Capone boys.

The CHAIRMAN. You see, Hymie Levin and Guzik and Katz and somebody else, who had—what was it? The R & H?

Mr. HALLEY. The R & H.

Mr. DEMPSEY. I didn't understand it was happening in 1943.

Mr. HALLEY. Well, let me go ahead. Every time we have some trouble with a question, then we get off the track.

Mr. DEMPSEY. Well, it is always some trouble when you try to scramble dates, Mr. Halley.

Mr. HALLEY. This whole Continental Press, that is a pretty big business, isn't it, Mr. McBride?

Mr. McBRIDE. It developed into a pretty big business.

Mr. HALLEY. Well, even when you first took it over it had a large number of leased wires, did it not?

Mr. McBRIDE. We didn't have any leased wires at that time. We did all our business over the telephone.

Mr. HALLEY. Didn't you have any Western Union wires?

Mr. McBRIDE. I don't think they would give us wires at that time. We were under indictment.

Mr. HALLEY. Did you have a telephone arrangement?

Mr. McBRIDE. No. We used the telephone, just got our information from the race track and got on the telephone and called in to the nearest subscriber, and he called on.

Mr. HALLEY. Well, how did Continental distribute it?

Mr. McBRIDE. Over the telephone.

Mr. HALLEY. By calling people up?

Mr. McBRIDE. Yes.

Mr. HALLEY. Did you lease telephone wires?

Mr. McBRIDE. No. We couldn't get any wires.

Mr. HALLEY. You had no wires at all?

Mr. McBRIDE. No.

Mr. HALLEY. How soon after did you acquire them?

Mr. McBRIDE. After the indictment was quashed. I think the Postal gave us wires, and the Western Union. The Postal, I think, were in business at that time.

Mr. HALLEY. Prior to the indictment also Nationwide had wires, did it not?

Mr. McBRIDE. Yes; they had Western Union wires.

Mr. HALLEY. There were establishments for collecting news; is that not right?

Mr. McBRIDE. That's right.

Mr. HALLEY. There were a large number of employees?

Mr. McBRIDE. That's right.

Mr. HALLEY. And the annual turn-over ran into many hundreds of thousands of dollars of business, did it not?

Mr. McBRIDE. That's right.

Mr. HALLEY. That business was just abandoned by Annenberg?

Mr. McBRIDE. That's right.

Mr. HALLEY. He was indicted for an income-tax violation; is that right?

Mr. McBRIDE. That's right.

Mr. HALLEY. He felt that because of his situation with the Department of Justice he had better get out of the racing wire business?

Mr. McBRIDE. Yes.

Mr. HALLEY. He just walked out?

Mr. McBRIDE. Yes.

Mr. HALLEY. And it just dropped into your lap; is that right?

Mr. McBRIDE. That's right.

Mr. HALLEY. How do you account for the fact that this business intact was able to be taken over by you?

Mr. McBRIDE. Well——

Mr. DEMPSEY. Mr. Halley, it wasn't the same business at all as I think this record——

The CHAIRMAN. Mr. Dempsey, let the witness testify.

Mr. McBRIDE. It was a different business, Senator. We started in the scratch-sheet business and he gave it up and we started Continental Press.

Mr. HALLEY. Now, look; we really shouldn't have to go over all the ground we did in Chicago.

Mr. DEMPSEY. That is the point I was trying to make, Senator.

Mr. HALLEY. We do, though, when each new witness on Continental goes back to that old story which just doesn't hold water.

Mr. DEMPSEY. It is true now as it was then, Mr. Halley, and you know it and have no evidence to present.

Mr. HALLEY. That scratch-sheet business was just a dodge erected by counsel in order to put Continental Press one step away from the bookie. Isn't that so?

Mr. DEMPSEY. You have expressed that theory before.

Mr. McBRIDE. Mr. Halley, what difference would it make whether Continental went direct to the bookmaker providing it went in States that it was legal?

Mr. HALLEY. You testified a little while ago——

Mr. McBRIDE. I am asking you that question.

Mr. HALLEY. I am asking you a question and I think you will answer your own question by answering mine in the proper fashion. You testified a little while ago that when you originally negotiated to go into the Continental business, you saw a lawyer; is that right?

Mr. McBRIDE. Lloyd?

Mr. HALLEY. A lawyer.

Mr. McBRIDE. Oh, yes; a lawyer, yes.

Mr. HALLEY. That he advised that the way to set up the business of Continental was to sell only to scratch sheets?

Mr. McBRIDE. Yes.

Mr. HALLEY. Prior to that Annenberg had sold directly to bookies?

Mr. McBRIDE. That's right.

Mr. HALLEY. As a matter of fact, Annenberg made a practice of owning part of the stock of each one of his distributors?

Mr. McBRIDE. (Nodding head affirmatively.)

Mr. HALLEY. Isn't that so?

Mr. McBRIDE. I don't know that. He might have owned some, Mr. Halley, and some he didn't own. I couldn't tell you that.

Mr. HALLEY. He made a pretty general practice of it?

Mr. McBRIDE. That's right.

Mr. HALLEY. And Ragen did it with him; they were right in there with it?

Mr. McBRIDE. That could be possible.

Mr. HALLEY. With the ultimate distributor of the News to the bookie?

Mr. McBRIDE. That could have been possible.

Mr. HALLEY. Then you saw a lawyer, and I am not criticizing the lawyer but he attempted to set up a legal protection for the top company and he said, "Let's sell only to scratch sheets"; isn't that right?

Mr. McBRIDE. That's right.

Mr. HALLEY. And the scratch sheet just happened also to distribute that news on to people who then sold it to bookies; isn't that right?

Mr. McBRIDE. That's right.

Mr. HALLEY. This was an effort to build up a top company which would appear to be, shall we say, insulated from anything that had to do with gambling?

Mr. McBRIDE. (Nodding head affirmatively.)

Mr. HALLEY. Is that right?

Mr. McBRIDE. That's right.

Mr. HALLEY. And that top company you then set up as Continental?

Mr. McBRIDE. That's right.

Mr. HALLEY. But as far as the press was concerned, as far as the customers were concerned, as far as the operations were concerned, it was the same old Nationwide outfit, lock, stock, and barrel, wasn't it?

Mr. GALLAGHER. There are only six customers.

Mr. McBRIDE. There are only six customers. Now, wait, there is six customers.

Mr. HALLEY. You reset it up and instead of the set-up that Annenberg had, your lawyer said, "Now, don't do it this way, set it up with these customers who will be your scratch-sheet people and we will put the other customers one step further away," but ultimately it was the same gang who was doing the business, wasn't it?

Mr. McBRIDE. I wouldn't say the same gang doing the business. They had officers in every city in the United States.

Mr. HALLEY. Shall we say the same group of gentlemen?

Mr. McBRIDE. Well——

Mr. HALLEY. You know it was. I mean, let's not fence about it.

Mr. DEMPSEY. I would like to suggest that Mr. Halley if he has read the reports on the Nation-wide operation would know that there were very essential differences, tremendous differences in income, tremendous differences in organization and set-up, and it isn't the same business, and why argue with Mr. McBride? The facts are here.

The CHAIRMAN. I think the facts were that we have these corporations or distributors like the Bryant News Co., and some other company out in Illinois, and some way or another Continental put up the money to enable these people to buy the stock and then they got a certain amount and they paid back an indeterminate amount to Continental.

Mr. DEMPSEY. I have no quarrel with the facts.

The CHAIRMAN. That is in the record.

Mr. DEMPSEY. It is Mr. Halley's opinion that he is trying to put in Mr. McBride's mouth.

Mr. HALLEY. I am going to succeed in putting it in his mouth; at least I am going to try awfully hard.

Mr. DEMPSEY. You put it in his ears long enough and something is likely to come out.

The CHAIRMAN. All right. We are getting along all right.

Mr. HALLEY. The fact is that the lawyer set it up differently but it was the same group of people doing the same basic job, collecting news at race tracks and selling it through various channels to bookies, isn't that the fact?

Mr. McBRIDE. Well, naturally, the news eventually went to the bookies.

Mr. HALLEY. And it was the same group of people doing it?

Mr. McBRIDE. Oh, I wouldn't say that. There were a lot of differences. There may have been some of the fellows that went out entirely and new ones come in from the standpoint——

Mr. HALLEY. I understand there were some changes but essentially it was the same basic group?

Mr. McBRIDE. Yes; I think you are right.

Mr. HALLEY. When Annenberg went out of that business, it had a certain value, it was a going concern with a lot of good will in certain areas and a developed organization, wasn't it?

Mr. McBRIDE. Yes; it needed organization.

Mr. DEMPSEY. No; I don't think you heard his question.

Mr. HALLEY. He had a developed organization. It needed new management—the old management was going to jail.

Mr. McBRIDE. It had no assets. It had——

Mr. HALLEY. It had good will, it had customers.

Mr. McBRIDE. Well, I don't know. The customers were pretty well shot. The customers, we had to start out and get new customers because their lawyers all went down.

Mr. HALLEY. Now, wait a minute.

Mr. McBRIDE. Now, wait.

Mr. HALLEY. You had time here. Let's take them then.

Mr. McBRIDE. Yes, but you are talking about the Annenberg set-up now where he went into each and every city.

Mr. HALLEY. Yes.

Mr. McBRIDE. And he checked his business with the telephone company.

Mr. HALLEY. Yes.

Mr. McBRIDE. To find out who was getting service and who wasn't.

Mr. HALLEY. Yes.

Mr. McBRIDE. A lot of them fellows fell by the wayside.

Mr. HALLEY. A lot stayed with you.

Mr. McBRIDE. Some of them stayed.

Mr. HALLEY. All right. Now, no effort was made by the Annenberg family to sell out of that business, they just wanted it turned over to friendly hands, didn't they?

Mr. McBRIDE. I had no dealings whatsoever with the Annenbergs, Annenberg gave up the business on the 15th, and he was on the way to the penitentiary by the 20th—or the 15th he was on the way to the penitentiary.

Mr. HALLEY. And on the 20th you bought it or stepped in?

Mr. McBRIDE. On the 20th I started; yes.

Mr. HALLEY. And you started?

Mr. McBRIDE. He didn't give up the business until about a day or two before he went in and pleaded guilty in Federal court.

Mr. HALLEY. How long were you negotiating with Ragen whether or not you would start it?

Mr. McBRIDE. Maybe 2 weeks.

Mr. HALLEY. So that at least before Annenberg went off to the clink, you were talking about going into this business?

Mr. McBRIDE. That's right.

Mr. HALLEY. But you didn't talk to Annenberg?

Mr. McBRIDE. Never.

Mr. HALLEY. You did talk, however, to the man who had been a very close associate with him in the business, Ragen?

Mr. McBRIDE. That's right. That's right.

Mr. HALLEY. You had yourself known Ragen for many, many years?

Mr. McBRIDE. That's right.

Mr. HALLEY. You both had been in the news business here in Cleveland?

Mr. McBRIDE. That's right.

Mr. HALLEY. Had you been in any business together, you and Ragen, prior to that?

Mr. McBRIDE. We had some real estate together.

Mr. HALLEY. You had some real estate together?

Mr. McBRIDE. Yes.

Mr. HALLEY. You were pretty good friends?

Mr. McBRIDE. We worked together. He was circulation manager of the Leader News in Cleveland—or the Leader Daily and Sunday, and I was circulation manager of the News.

Mr. HALLEY. And your brother-in-law was working with Ragen?

Mr. McBRIDE. On the Chicago Examiner. Ragen left here to go to Chicago as circulation manager of the Examiner.

Mr. HALLEY. And then Tom Kelly went——

Mr. McBRIDE. Went to work.

Mr. HALLEY. With Ragen and Annenberg on the wire service?

Mr. McBRIDE. That's right.

Mr. HALLEY. This whole wire service was very closely connected with the news distribution business, was it not?

Mr. McBRIDE. You mean with the circulation of newspapers?

Mr. HALLEY. Yes.

Mr. McBRIDE. It fits in with that kind of a business, yes.

Mr. HALLEY. Why does it fit in so well?

Mr. McBRIDE. Well, with the circulation of the newspapers you are trying to get your papers on every point that you can sell any papers and you are planting seeds all the time for your circulation to grow, your new neighborhoods, new business districts, town growing. Well, this business from the selling point, you are out looking for customers all the time.

Mr. HALLEY. Aren't your customers pretty well grouped around the people who are buying scratch sheets from newsstands? I think Dan Sarritella testified——

Mr. McBRIDE. Yes, I guess you are right on that, Mr. Halley. I think you are right.

Mr. HALLEY. I think Dan Sarritella testified——

Mr. McBRIDE. It all fits in, racing forms, scratch sheets fits in.

Mr. HALLEY. Yes.

Mr. McBRIDE. Newspapers fit in more than anything else; they promote it. There is no reason for a newspaper in Cleveland printing the results of a Miami race track today. There is nobody interested in it but gamblers and bookies or bettors and gamblers.

Mr. HALLEY. And if you can get to the newsstands with the scratch sheet that has that news right up to the minute, and a lot more news than the newspapers give, the newsstands are going to get to the people who are interested in betting?

Mr. McBRIDE. That's right, that's right. The bettor will buy everything that he thinks can learn him which horse is going to win.

Mr. HALLEY. As a matter of fact, I think Dan Sarritella testified that a great many of the bookies, at least in Chicago, got their start as newsboys.

Mr. McBRIDE. That's right, that's right. You will find the same thing here in bookmakers, or any other city, wagon drivers.

Mr. HALLEY. The circulation business was a fairly rough business, wasn't it?

Mr. McBRIDE. Well, you had to work.

Mr. HALLEY. You had to be handy with your dukes, didn't you?

Mr. McBRIDE. I don't know.

Mr. HALLEY. Well, you had to be in a position to keep your newsboys from having their stands——

Mr. McBRIDE. You couldn't be a weakling or—you couldn't be a weakling, I will say that. I will answer it that way.

Mr. HALLEY. You had to be able to defend yourself physically?

Mr. McBRIDE. That's right.

Mr. HALLEY. And the same thing was pretty well true of the wire service. You wouldn't last in the bookmaking business unless you were able to keep other people from——

Mr. McBRIDE. In the bookmaking business?

Mr. HALLEY. That's right.

Mr. McBRIDE. I don't know anything about the bookmaking business. I never bet on horses, I don't go into bookmakers' places.

Mr. HALLEY. You sell the service.

Mr. McBRIDE. I never sell them no service.

Mr. HALLEY. It was going to the bookmakers; you knew it?

Mr. McBRIDE. Evidently it did but I didn't—I have nothing to do with selling to any bookmakers.

Mr. HALLEY. You know enough about the bookmaking business from what you read in the newspapers to know that a bookie has got to be able also to protect himself.

Mr. McBRIDE. That's right, but a bookie can get along without that service.

Mr. HALLEY. The testimony we have is he doesn't get along well enough to compete with the fellow who has it.

Mr. McBRIDE. Well——

Mr. GALLAGHER. That wasn't the testimony from Mr. Warren Olney, general counsel of the California Crime Commission. He testified——

Mr. McBRIDE. There is more bettors in Miami today than there was was before this started. There is a bookmaker on every corner in Miami, now, and I just come from there.

Mr. HALLEY. Are you testifying as of your own knowledge?

Mr. McBRIDE. What I see driving down the street.

Mr. HALLEY. How do you know how many there were before this started?

Mr. McBRIDE. They weren't on corners, they were in hotels.

Mr. HALLEY. They were nicely set up in the hotels, isn't that right?

Mr. McBRIDE. Yes. Now they are out on the street.

Mr. HALLEY. Getting down to the business at hand, isn't it a fact that the same group of men who grew up in this news distribution business with Annenberg as something of the grand-daddy of you all——

Mr. McBRIDE. He wasn't grand-daddy to me. I started him.

Mr. HALLEY. You started Annenberg?

Mr. McBRIDE. Yes.

Mr. HALLEY. How did that happen?

Mr. McBRIDE. Well, he was a bartender and I was a newsboy and he came out to Inglewood and I broke him in.

Mr. HALLEY. Then you are the granddaddy of them all?

Mr. McBRIDE. No, I am not the granddaddy of nobody but when you mention granddaddy——

Mr. HALLEY. It is all one closely knit group?

Mr. McBRIDE. I am the granddaddy of Eddie's kids and that's the only kids I got.

Mr. HALLEY. Eddie?

Mr. McBRIDE. He has got two.

Mr. HALLEY. You are the uncle of Tom's kids? Aren't you?

Mr. McBRIDE. Yes, and the granddaddy of Eddie's kids.

Mr. HALLEY. You are the man then to whom all these people in the distribution looked up to; is that right? Let's put it that way.

Mr. McBRIDE. I don't know. When I had the business, they looked up to me but since then——

Mr. HALLEY. There was Ragen and you say Annenberg,

Mr. McBRIDE. Yes.

Mr. HALLEY. They were the people also in the wire service business, is that right?

Mr. McBRIDE. What year are you talking about, Mr. Halley?

Mr. HALLEY. That was prior to 1939.

Mr. McBRIDE. There was Ragen, yes, and Annenberg had the business, Annenberg had it and Ragen worked for him.

Mr. HALLEY. You were a small, closely knit, friendly group?

Mr. McBRIDE. That's right.

Mr. HALLEY. You had the ability to defend yourselves?

Mr. McBRIDE. I don't know that.

Mr. HALLEY. You so testified that you had to have it in the news distribution.

Mr. McBRIDE. Well, I don't know. You are trying to build me up or build up everybody in the circulation business, they got to be tough.

Mr. HALLEY. I am just trying to build up the tough ones, frankly.

Mr. McBRIDE. Who is the tough one?

Mr. HALLEY. Well, the ones who could defend themselves.

Mr. GALLAGHER. Name names.

Mr. HALLEY. Now, please, Mr. Gallagher, he testified——

Mr. DEMPSEY. Don't you think, Senator, this is nonsense, really? I would like to make an objection.

The CHAIRMAN. Mr. Dempsey, you might think so. Let's just wait a while.

Mr. GALLAGHER. May I just make one remark to you as chairman? You were quoted in the Chicago newspaper, I believe, the Daily News, as stating that prior to Mr. Ragen's death Continental Press was not only legitimate, which it is today, but also reputable, and that the purpose——

The CHAIRMAN. Mr. Gallagher——

Mr. GALLAGHER. I have got the newspaper in Washington.

The CHAIRMAN. I wish you would get it because I have never said that.

Mr. GALLAGHER. The quote went on further to state that——

The CHAIRMAN. Well——

Mr. GALLAGHER. What your committee is looking into is the endeavor of the Capone mob to infiltrate into the business.

The CHAIRMAN. Anyway, it is a very interesting story about how these gentlemen got the Continental Press started and I should think you would want Mr. McBride to tell about it.

Mr. GALLAGHER. We don't mind a bit.

Mr. McBRIDE. Mr. Senator, may I——

The CHAIRMAN. Anyway, go ahead with your questions.

Mr. McBRIDE. May I say a word?

Mr. HALLEY. Surely.

Mr. McBRIDE. Did you ever go to the hospital? They start checking you and find out what is wrong with you.

Mr. HALLEY. Yes, go ahead.

Mr. McBRIDE. They start at what they find wrong to cure first, don't they?

Mr. HALLEY. Well, go ahead. Make the point you are trying to make.

Mr. McBRIDE. Well, you gentlemen can stop this business overnight if you want to.

Mr. HALLEY. Well, look——

Mr. McBRIDE. Your trouble——

Mr. HALLEY. Let's not get into philosophy.

Mr. McBRIDE. Your trouble is at your race tracks. Let's start at the trouble.

Mr. HALLEY. You will get a chance to talk about the philosophy. Let's talk about Continental Press.

Mr. McBRIDE. Why don't we talk about the race tracks?

Mr. HALLEY. Because we do one thing at a time. We don't want to get off the subject.

Mr. McBRIDE. All right.

Mr. HALLEY. When the subject doesn't please you.

The CHAIRMAN. I will make a note here to ask you your opinion about the race tracks in just a few minutes.

Mr. McBRIDE. O. K.

Mr. HALLEY. I have complimented your counsel before. They are two very clever men and every time we get into something embarrassing, we get off onto another subject, but it is not going to happen now.

Mr. DEMPSEY. It is only embarrassing as a fellow lawyer to hear you go on that way, Mr. Halley.

Mr. McBRIDE. You are a great lawyer——

The CHAIRMAN. Proceed with the questions.

Mr. HALLEY. If we haven't all forgotten where we were when we went off on this song and dance, we were at the fact that the wire service——

Mr. McBRIDE. There ain't no wire service. That is Continental Press. The newspapers named it the wire service to dirty it up because they wanted the business, they would sell more newspapers.

Mr. HALLEY. What is wrong with the term "wire service"?

Mr. McBRIDE. It is Continental Press, it is not wire service.

Mr. HALLEY. Well, I will call it wire service.

Mr. McBRIDE. Call it Continental Press. We will correct ourselves.

Mr. HALLEY. The wire service appears to have stayed in the hands of a small group of people who were in the news distribution business and were successful in the news distribution business.

Mr. McBRIDE. That's right. On the other hand, would a man go into another business that he didn't know anything about?

Mr. HALLEY. What did you know——

Mr. McBRIDE. You are the lawyer. You started in as a lawyer and now you are practicing law, are you not? You ain't in the saloon business or the restaurant business.

Mr. HALLEY. Wait a minute, whoa, slow. What did you know about the wire business when you went into it in 1940? I think you testified, and I took the trouble to write it down when you testified before, that you said "I have other things to do. Will you run it if I go into it?"

Mr. McBRIDE. That's right. I still say that.

Mr. HALLEY. What did you know about the wire business in 1940?

Mr. McBRIDE. I knew that you had to get news and I knew how to sell it to scratch-sheet operators.

Mr. HALLEY. When had you gathered news before?

Mr. McBRIDE. I never gathered it but I know the foundation of the business.

Mr. HALLEY. What did you know about the foundation?

Mr. McBRIDE. I knew you had to gather news and I knew you had to sell the scratch-sheet operators.

Mr. HALLEY. Everybody in this courtroom knows that. Well, now, what did you know about running a racing-wire business? Had you ever done it before?

Mr. McBRIDE. No, I never done it before.

Mr. HALLEY. Had you had any connection with it before?

Mr. McBRIDE. No, I haven't.

Mr. HALLEY. Why do you bring up this point that people go into it who know the business?

Mr. McBRIDE. Well, I had a fair idea of it.

Mr. HALLEY. Wasn't it a fact that Ragen really was supposed to take over the business but he couldn't because he also was in trouble with the law when Annenberg went out?

Mr. McBRIDE. Well, we never discussed that, Mr. Halley. I don't know what was going through his mind but we never discussed it.

Mr. HALLEY. I think you said when you testified a little while ago that Ragen said, "I am in trouble so I can't do it"?

Mr. McBRIDE. That's right.

Mr. HALLEY. You discussed it at least to that extent?

Mr. McBRIDE. That's right, Mr. Halley.

Mr. HALLEY. You certainly knew what trouble he was in?

Mr. McBRIDE. That's right.

Mr. HALLEY. He was on parole with an income-tax conviction behind him?

Mr. McBRIDE. That's right.

Mr. GALLAGHER. Probation.

Mr. McBRIDE. He never got indicted.

Mr. HALLEY. That is very much to his credit.

Mr. GALLAGHER. The judge must have thought so.

Mr. HALLEY. Now, he couldn't do it, so he asked his good friend, whom he could trust, Arthur McBride, to come in there and take over the business; is that right?

Mr. McBRIDE. Could be.

Mr. HALLEY. You didn't want to run it; you told him you didn't want to run it.

Mr. McBRIDE. That is right.

Mr. GALLAGHER. What are you talking about? 1939, or 1943, or what?

Mr. HALLEY. He knows what I am talking about. Let him answer.

Mr. McBRIDE. He is going back to the time it started. Is that right, Mr. Halley?

Mr. HALLEY. That is right.

Mr. GALLAGHER. All right.

Mr. HALLEY. Now, let's all go about this dispassionately, in a low voice, and we will get some answers.

Now, you didn't know—or, let's put it this way: You didn't want to run the business. In fact, you told young Ragen and Tom Kelly they would have to run the business.

Mr. McBRIDE. That is right.

Mr. HALLEY. That is a little bit in conflict with Tom Kelly's testimony, who said he never had anything to do with the over-all management of the wire service until your son bought it.

Mr. McBRIDE. Well, one worked out of here, Mr. Halley; the other worked out of Chicago.

Mr. HALLEY. No. Tom Kelly testified he had no over-all managerial duties.

Mr. McBRIDE. Now, wait just a moment. I am talking about when I owned the business. Now you are talking about since Eddie owned it; is that right?

Mr. HALLEY. No, no. Let me tell you what Tom Kelly testified, because I want you to have a record of that so that your testimony doesn't conflict with his.

Mr. McBRIDE. Thank you.

Mr. HALLEY. Tom Kelly said that up to the time Eddie bought the business or possibly a few weeks before that, when Ragen was actually on his death bed in the hospital, he had never run Continental Press or tried to run it.

Mr. GALLAGHER. Now, wait a second, Mr. Halley. He testified that Ragen was running it from 1943 on, and he testified that prior to that time Junior was running it.

Now, Mr. McBride has testified to the same thing, that Junior was running it.

Mr. HALLEY. Now, Mr. McBride testified that Junior Ragen and Tom Kelly were to run it.

Mr. GALLAGHER. That is right.

Mr. HALLEY. But Tom Kelly testified he didn't run it, so it must have been Junior Ragen was running it.

Mr. GALLAGHER. Tom Kelly testified that Junior was running it; Ragen was running it in Chicago.

Mr. McBRIDE. They both had about the same. Young Ragen would naturally have been the boss at that time.

Mr. HALLEY. How old was Ragen at that time?

Mr. McBRIDE. I would say 37 or 38.

Mr. GALLAGHER. No, he must have been a little younger. He must have been, in 1940, 1939—about 32 or 33, I think.

Mr. McBRIDE. No, he is older than that.

The CHAIRMAN. It is immaterial.

Mr. HALLEY. In any event, young Ragen was going to run the business, isn't that so? He was the boss?

Mr. McBRIDE. He would have naturally been the boss; yes.

Mr. HALLEY. And you made it perfectly clear that you didn't want to be the boss or have anything to do with it?

Mr. McBRIDE. That is right.

Mr. HALLEY. You also put in only \$20,000; is that right? And the Ragen family certainly had \$20,000, if they wanted to put it in, did they not?

Mr. McBRIDE. I imagine they could have got it. Whether they had it in cash at that time or not, I don't know.

Mr. HALLEY. And the fact is that you got your \$20,000 back right fast.

Mr. McBRIDE. That is right.

Mr. HALLEY. Now, why did they want you in back in 1940?

Mr. GALLAGHER. When? Now, wait.

Mr. McBRIDE. 1939.

The CHAIRMAN. Now, Mr. Gallagher, let him ask the question.

Mr. GALLAGHER. I am trying to keep the record straight. He is in and he is out. Now he is asking about 1940. He has the date all confused.

Mr. HALLEY. It is not all confused.

Mr. GALLAGHER. Why do you want it back in 1940? You know that isn't what you mean, is it, Rudy?

Mr. HALLEY. Do you really want to make a speech? You were very helpful for a moment. Try to stay helpful.

The year is 1939 now.

Why did they want you in in 1939? You contributed neither managerial talent nor money to the extent that money was needed.

What were you supposed to be doing in Continental Press?

Mr. McBRIDE. Well, I put up the money. I don't know whether they had the money and I don't know what was going through their minds, and, therefore, I can't answer that question. You will have to find that out from young Ragen.

Mr. HALLEY. I would like to find out what was going through your mind. Why did you figure you were in?

Mr. McBRIDE. In my mind was this: I figured I was going to take care of Tom Kelly because he had to take care of two kids and I figured the rest of the people and I thought it was a good gamble.

Mr. HALLEY. Was it your name and your prestige they needed to hold that thing together?

Mr. McBRIDE. No. My name and prestige——

Mr. HALLEY. That they could go out to the newsboys and out to the distributors and say, "Now, Mickey McBride is running this thing; you play along with us and everything will be all right."

Mr. McBRIDE. That would not have made no difference.

Mr. HALLEY. It wasn't your prestige?

Mr. McBRIDE. No, sir.

Mr. HALLEY. You do have prestige is the news distribution business?

Mr. McBRIDE. Well, I don't know that.

Mr. HALLEY. Well, they know you can take care of yourself and the people who are with you, don't they?

Mr. McBRIDE. I don't know whether they do or not.

Mr. HALLEY. Well, you always have taken care of yourself and the people with you, have you not?

Mr. McBRIDE. I don't know.

Mr. HALLEY. Nobody has ever pushed you out of business.

Mr. McBRIDE. I get by. No, they haven't.

Mr. HALLEY. And you say you get by.

Mr. McBRIDE. I get by all right. I have no complaints to make at all.

Mr. HALLEY. Now, can you give one decent reason why you were needed——

Mr. DEMPSEY. Now, Mr. Halley, Senator, I would like to object.

Mr. McBRIDE. Listen, did you ever do any——

Mr. DEMPSEY. Quiet. You say "decent." Just what is Mr. Halley talking about?

Mr. HALLEY. Well, would you give me the courtesy of objecting to a question after it has been asked? I would like to know one decent reason why you went into Continental Press in 1939.

Mr. DEMPSEY. Mr. Senator, if I may I would like to take exception.

The CHAIRMAN. Well, he means by "decent" one "good" reason.

Mr. McBRIDE. All right. The best reason I can give is my brother-in-law, who I knew could run the business and had two kids, whom my mother was raising, and at that time he was a single man; he hadn't married the second time.

Then along with it, there was some other fellow that I was raised with, sold papers with, such as John Gorkin and Abe Jaffe, and I knew them pretty well. Now, is that—

Mr. HALLEY. No, that is not, and I will tell you why.

Mr. McBRIDE. Well, then, you tell me the reason, Mr. Halley. If I can't tell you the reason, you tell it to me then.

Mr. HALLEY. I am going to try to help you.

Mr. McBRIDE. All right.

Mr. HALLEY. Will you first explain how your being in it made it more possible for the business to continue?

Mr. McBRIDE. How me being in it made it more possible?

Mr. HALLEY. Yes.

Mr. McBRIDE. Jeeze, I can't explain that.

Mr. HALLEY. You said that—

Mr. McBRIDE. I put up \$20,000, and—

Mr. HALLEY. Now, wait a minute. Mr. Gallagher suggested that.

Mr. GALLAGHER. That is right.

Mr. McBRIDE. I did.

Mr. GALLAGHER. Well, ask him. Did Kelly have the \$20,000?

Mr. HALLEY. Did Kelly have the \$20,000?

If your brother-in-law Kelly came to you and said, "Will you lend me \$20,000?" would you have lent it to him?

Mr. McBRIDE. At that time I don't know. He wasn't established.

Mr. HALLEY. But you were willing to go into a huge business just to see that he kept his job, and put your credit behind it?

Mr. McBRIDE. That is right.

Mr. DEMPSEY. May I suggest that the answers to all the questions have been given over and over again. If Mr. Halley doesn't think the reasons are sound, that is an opinion which he is entitled to express, but I don't think he ought to continue to argue with the witness, who has given every reason he knows.

The CHAIRMAN. I think they are getting along all right.

Mr. HALLEY. Mr. Chairman, I respectfully will attempt not to argue with the witness; I am simply trying to help him to give one good reason.

Mr. DEMPSEY. Mr. Halley, I think he has given a dozen good reasons, and I think you know it.

The CHAIRMAN. The record will show whether he has or not, Mr. Dempsey. Let's go ahead.

Mr. HALLEY. Now, you testified also that you thought Tom Kelly could run it, but I think you should know that Tom Kelly has testified he didn't run it, so it must have been Ragen, junior, who ran it.

Mr. McBRIDE. Well, that could be possible. Ragen, junior, was naturally the top man at that time on account of the senior living.

Mr. HALLEY. And why would Ragen, junior, need you, when you said you weren't going to spend any time in the business?

Mr. McBRIDE. Maybe they needed my \$20,000 and maybe they needed more to carry on if it wasn't successful.

Mr. HALLEY. You know very well they didn't need your \$20,000.

Mr. McBRIDE. I don't know. They were pretty well pushed at that time for money. They were in trouble and were pretty well down.

Mr. HALLEY. The Ragen family had money? Do you know that?

Mr. McBRIDE. I don't know that.

Mr. HALLEY. You don't doubt it one bit.

Mr. McBRIDE. I do doubt it, because I can prove to you where they borrowed money on their insurance policy. He borrowed \$50,000 on his insurance policy.

Mr. GALLAGHER. I would like to ask a question. I would like to ask if this continuity—

The CHAIRMAN. What is your question?

Mr. GALLAGHER. I would like to ask Mr. McBride if at the time that he put \$20,000 in, which Kelly stated would probably be needed, if you felt that it probably would be necessary for you to put up an additional sum of money?

Mr. McBRIDE. Certainly I did.

The CHAIRMAN. Well, you got your \$20,000 back in a month.

Mr. McBRIDE. Yes; but I didn't know it, Senator, at that time.

The CHAIRMAN. That is what the record shows, about 1 month.

Mr. HALLEY. Now, it is a swell thing to have brilliant counsel sit here and think of reasons why you did something 10 years ago.

Mr. DEMPSEY. It is not a nice thing, Senator, to have a lot of pedagogical questions thrown at you.

The CHAIRMAN. Mr. Dempsey, I will have to ask you and Mr. Gallagher to stop interrupting. This is pertinent testimony and I think we are getting at matters we have been interested in a long time.

Mr. McBride is a very intelligent man and amply able to take care of himself.

Mr. McBRIDE. Thank you, Senator; that is a very high chance with them.

We get certain boys that you start off with, and you figure, "Well, he is not going to be any good," but someplace along the line he develops. Now, Kelly has developed since that time.

Mr. HALLEY. Well, you know, I get the feeling that these answers are made up to suit the immediate question, because a little while ago you said you had confidence that Tom Kelly could run Continental.

Mr. McBRIDE. I still have confidence.

Mr. HALLEY. And if you had confidence that Tom Kelly could run Continental, wasn't he developed enough to lend him \$20,000?

Mr. DEMPSEY. He also testified that they might need a lot more than \$20,000.

Mr. HALLEY. Let's get the witness' answer.

Mr. McBRIDE. That is right. I didn't know when I went into that; that might have cost \$100,000.

Mr. HALLEY. Well, you are a pretty smart man, and any business that paid you back \$20,000 in a month, you must have had a good idea it would pay you back in a month.

Mr. DEMPSEY. May I suggest there is nothing in the record that it was paid back in a month?

Mr. HALLEY. Now, before we finish with this reason why you wouldn't lend Tom Kelly \$20,000, I just was wondering whether you held him in less esteem than some racket characters that have been referred to.

Mr. McBRIDE. I held him in esteem, but I didn't know at that time whether the man had developed to an estate where he could take care of it like the Ragens.

Mr. GALLAGHER. What salary did he get?

Mr. McBRIDE. Listen. Kelly was getting \$100 a week.

Mr. HALLEY. We can't all talk at once every time the question gets a little embarrassing.

Now, I am trying to find out why you lent money to racket characters and you didn't lend it to Tom Kelly.

Mr. DEMPSEY. Senator, I would suggest that that is a deliberately insulting question, simply an attempt to harrass and smear the witness. It wouldn't be permitted in a legitimate police court.

The CHAIRMAN. The testimony is that he loaned this fellow Wexler \$10,000.

Mr. DEMPSEY. And it was repaid.

The CHAIRMAN. And endorsed his note for \$10,000.

Mr. McBRIDE. That is right.

Mr. GALLAGHER. Well, has there been any testimony he was a racketeer?

The CHAIRMAN. I don't know. I think so. I think Mr. McBride said—

Mr. McBRIDE. I have not. I don't know of any trouble, Senator, that he ever had.

Mr. GALLAGHER. I didn't notice Mr. Nellis coming in with any criminal record on Mr. Wexler.

The CHAIRMAN. Well, anyway, we have him subpoenaed and can't get him here.

Mr. HALLEY. We will develop Mr. Wexler in time.

Did you feel that Mr. Wexler had developed enough to loan him \$10,000?

Mr. McBRIDE. I sure did.

Mr. HALLEY. Along what lines had he developed?

Mr. McBRIDE. Well, he had got one of the finest restaurants in this town.

Mr. HALLEY. Did he have it then?

Mr. McBRIDE. Yes; he had it at that time—and if not in the United States.

Mr. HALLEY. And he was in such good shape he had to come and borrow \$10,000 from you?

Mr. DEMPSEY. Senator, every businessman has to borrow money. That is a ridiculous question.

Mr. HALLEY. If he had that kind of good business, why couldn't he get it at the bank?

Mr. McBRIDE. He did.

Mr. HALLEY. Are you a bank?

Mr. GALLAGHER. He only endorsed the loan.

Mr. HALLEY. Who all is testifying? I ask one question and I get an answer from you, one from Dempsey, and another from Gallagher.

Mr. DEMPSEY. You asked us to be helpful, Mr. Halley.

The CHAIRMAN. Well, Mr. Dempsey and Mr. Gallagher, unless we can do better here we are not going to get through and I will have to ask you to wait until the question is asked, and if you are going to insist on interrupting I will have to deny the right to make objections. So let's try to get along.

Mr. HALLEY. At any event, you felt that Mushy had developed enough to be worth lending \$10,000 to him?

Mr. McBRIDE. I sure did. Or I wouldn't have loaned it.

Mr. HALLEY. But you didn't think you would loan \$20,000 to your own brother-in-law?

Mr. McBRIDE. Well, I didn't know. That was a debatable question at that time, and the \$20,000 wouldn't have stopped. We were lending Kelly at that time, but I didn't know how far I had to go.

Mr. HALLEY. Did Kelly come and ask you for \$20,000.

Mr. McBRIDE. No, he never did.

Mr. HALLEY. It was never even discussed?

Mr. McBRIDE. Never even discussed.

Mr. HALLEY. Nobody ever thought of Kelly taking over the business?

Mr. McBRIDE. You see, Mr. Halley, when I put up that money I didn't know whether I would have to put up \$100,000 or not.

Mr. HALLEY. Well, look; you are a very successful businessman.

Mr. McBRIDE. Thank you for the compliment.

Mr. HALLEY. You went into a business that was a going business.

Mr. McBRIDE. It wasn't at that time; it was out of business.

Mr. HALLEY. Oh, a business that was able to pay you back \$20,000 in a month was a going business.

Mr. DEMPSEY. There is no such record.

Mr. McBRIDE. There is no nothing. They had to do their business, getting the stuff out at the race track and calling on long-distance phones and holding them open.

Mr. HALLEY. And they had been doing it——

Mr. McBRIDE. They had done it; yes, to hold it together.

Mr. HALLEY. Despite the Annenberg indictment?

Mr. McBRIDE. That is right.

Mr. HALLEY. All right. Now, let's get on to your purchase of the one-third interest for your son.

Mr. McBRIDE. O. K.

Mr. HALLEY. Again, the magic name of McBride is needed in the wire service. Why?

Mr. McBRIDE. I can't take that name over to the bank and get any money on it, so it can't be very magic.

Mr. HALLEY. Well, maybe it is magic in different circles.

Mr. McBRIDE. I don't know.

Mr. HALLEY. You have no explanation?

Mr. McBRIDE. For what, Mr. Halley? Yes; I want to be helpful.

Mr. HALLEY. Why the magic name of McBride was needed in the wire service when you bought a one-third interest for your son.

And finally, the testimony, you must know it is, that after the shooting of Ragen, Sr., the Ragen family wanted no more of the wire service. They were through.

Mr. GALLAGHER. Not for almost a year.

Mr. HALLEY. They wanted to get out. That is the testimony; they were scared and they wanted to get out because they were properly scared, as you know.

Mr. GALLAGHER. Now, who is testifying to that?

Mr. HALLEY. Tom Kelly.

Mr. GALLAGHER. I would like to see it in that record.

Mr. HALLEY. You shall read it.

The CHAIRMAN. Well, anyway, ask Mr. McBride whether that is true.

Mr. HALLEY. Didn't the Ragen family want to get out of the wire service?

Mr. McBRIDE. Yes. According—the only one I talked to, Mr. Halley, was young Jim.

Mr. HALLEY. And you were willing to buy it for your son, the whole thing?

Mr. McBRIDE. That is right.

Mr. HALLEY. Today your son owns it completely.

Mr. McBRIDE. That is right.

Mr. HALLEY. So I believe the testimony is that he has nothing to do with it whatsoever; Tom Kelly runs it.

Mr. McBRIDE. Tom Kelly runs it.

Mr. HALLEY. And your son had nothing to do with the negotiations for purchase; I think you and Tom Kelly handled that.

Mr. McBRIDE. That is right.

Mr. HALLEY. Now, why were you willing to put your son into a business which was in such friction with unidentifiable characters that the head of it had just been assassinated? Why were you willing to risk your son's life in that business?

Mr. McBRIDE. Well, Mr. Halley, that business has been in existence for over 60 years and one man got killed, you say, in it.

I know a hundred lawyers that got killed in the last 40 years.

Mr. HALLEY. Now, you said it was a brand new business. You started it in 1939.

Mr. McBRIDE. It is a brand new business.

Mr. GALLAGHER. He is talking about the news service, Rudy. Why quibble about something like that?

Mr. HALLEY. May we now call it the news service?

Mr. GALLAGHER. The news services started in 1890; that is what he means.

Mr. HALLEY. You were objecting to "wire service" but you don't object to "news service" is that it?

Mr. GALLAGHER. No; that is all right.

The CHAIRMAN. Mr. Gallagher, let's get on with the questioning.

Mr. HALLEY. Well, I am a little surprised by Mr. Gallagher, who so strenuously objected to my calling it a wire service.

Mr. McBRIDE. It is not a wire service, it is the Continental Press. It is a news service.

Mr. HALLEY. Now, just a moment. This is a three-horse parley, and I don't want to play a three-horse parley with you fellows. I will take one at a time.

Mr. GALLAGHER. All right; go ahead now. What is the question?

Mr. HALLEY. "News service" is O. K., while "wire service" is insulting?

Mr. McBRIDE. Why, certainly, it is insulting, because "wire service" would connect with a pipeline, something about past-posting and phony touting. That is the connotation given in the newspapers for the last 3 years, many of them. The "wire service" it is like doping wires, it is giving hot news on horses, and that kind of stuff.

It isn't; it is a straight news-reporting service. This very same service is the very same news that comes over the AP and the UP sport ticker after they get it from us.

The CHAIRMAN. I don't see where what you call it makes much difference, whether you call it a news service or a wire service.

Mr. McBRIDE. You don't like having a news service kicked around in the dirt.

Mr. HALLEY. Didn't you have any fear that your son would run into the same problem that Ragen, Sr., ran into and resulted in Ragen, Sr.'s being assassinated?

Mr. GALLAGHER. Mr. Chairman, isn't Mr. Halley again making an assumption that Ragen was assassinated because of this?

Mr. McBRIDE. I didn't know that Ragen was assassinated. I couldn't prove that he was assassinated over Continental Press or anything else. That hasn't been proven, so therefore I don't know.

Mr. HALLEY. Well, let's not be choosy about it.

Mr. McBRIDE. I know in the last 40 or 50 years that this business has been in existence, nobody got killed.

Mr. HALLEY. Wait. You said it was a brand new business you started in 1939?

Mr. McBRIDE. Well, you say, then, going back to bookies, yes, it is a brand new business; It is the Continental Press.

Mr. HALLEY. Well, take it one way or the other way. Which way do you want it? Brand new business, or one that goes back 50 years?

Mr. DEMPSEY. Senator, may I suggest that Mr. Halley try not to confuse this? The newspaper business is a news business.

The CHAIRMAN. I will have to rule that only one of you can make objections. I think that I will rule that only Mr. Gallagher can make objections.

Now, go ahead with your questions.

Mr. HALLEY. Well, which is it, now? Brand new business or a 60-year-old one?

Mr. McBRIDE. It is a brand new business.

Mr. HALLEY. O. K.; we will leave it that way.

Mr. GALLAGHER. Now, may I interrupt, Mr. Halley? You know what he meant when he said that this business, dissemination of sporting information, has been done by several different wire services since the 1890's, but there is a new dissemination.

Mr. HALLEY. Are you asking me what I think?

Mr. GALLAGHER. I am telling you.

Mr. HALLEY. Are you asking me what I think or telling me what I think?

Mr. GALLAGHER. Well, I am telling you as you are telling Mr. McBride what he thinks.

Mr. HALLEY. Well, I know what I am thinking, so don't ask me. If you ask me, I will tell you what I think.

Mr. GALLAGHER. O. K.

Mr. HALLEY. Now, here: Weren't you afraid that your boy would be bumped off?

Mr. McBRIDE. My boy might get hit by a brick from this building and bumped off. Life is a game of chance.

Now, how could I—he might get hit by an automobile.

Mr. HALLEY. I will let the record stay with that answer.

Mr. GALLAGHER. Let me ask this question.

Mr. McBRIDE. What is my boy going to do that is going to get him knocked off? Let me ask that question?

Mr. HALLEY. I am going to insist on my right as counsel for this committee to ask at least two questions in a row without questions coming back at me from the other side of the table.

Now, let's have a little decorum here. We have played along with you far enough.

Mr. McBRIDE. O. K.

Mr. HALLEY. Now, you have given an answer, and it will just stand on the record.

The next question is how was there any reason why you were able to continue the business of Continental Press without further problems with Trans-American Press, when Ragen, Sr., was not able to do it?

Mr. McBRIDE. Repeat that question again. I don't follow you.

Mr. HALLEY. Is there any reason why you were able to continue the business of Continental Press without interference from Trans-American Press, whereas Ragen, Sr., was unable to do it?

Mr. GALLAGHER. Mr. Chairman, I object to that question, because the record reflects that the business—if he wants to put the question how Edward was able to continue it under Kelly's management, we have no objection to the question, but we object.

Mr. HALLEY. May I argue that? Right now is the time.

Right now I am taking the position which I am going to ask the committee to take in the report, that all of this business with Ragen, Jr., and McBride, Jr., and all these corporations are a lot of phonies, and that Continental News is and was Arthur McBride.

Mr. GALLAGHER. Wait a second, Mr. Chairman. May I respond to that?

Will you make that statement under oath in the Treasury Department, so we can recover some \$700,000 in additional excess tax, that have been paid since 1947, because those are legitimate distributors?

Mr. HALLEY. That is my official position.

Mr. GALLAGHER. Will you make that statement before the Treasury Department on behalf of us in a refund case?

The CHAIRMAN. Mr. Gallagher, you have heard a statement here, so let's go on.

Mr. HALLEY. Now, will you read the question?

(The reporter read the question.)

The CHAIRMAN. In other words, they went out of business shortly after—Trans-American went out of business, I believe, in 1947.

Mr. GALLAGHER. June.

The CHAIRMAN. June 1947.

Mr. GALLAGHER. The purchase was made on April 1.

The CHAIRMAN. At that time you had a third interest.

Mr. McBRIDE. I didn't have no third interest. My boy—

The CHAIRMAN. I mean, your son had a third interest. E. J. McBride had a third interest, and then very shortly after that, you and he, or he, purchased the entire interest, and how did Mr. Ragen' Sr.'s

difficulty with Trans-American, which allegedly had some interests in it that weren't quite savory——

Mr. McBRIDE. I couldn't tell you.

The CHAIRMAN. And why didn't you have difficulty?

Mr. McBRIDE. I couldn't tell you that.

Mr. HALLEY. Do you know Tony Accardo?

Mr. McBRIDE. No, sir; I don't.

Mr. HALLEY. Have you ever met him?

Mr. McBRIDE. No, sir; I haven't.

Mr. HALLEY. Do you know William "Bugsy" O'Brien?

Mr. McBRIDE. Yes, I do.

Mr. HALLEY. How long have you known him?

Mr. McBRIDE. 15 years.

Mr. HALLEY. Do you know Ralph O'Hara?

Mr. McBRIDE. No, I don't.

Mr. HALLEY. He was the head of Transamerica Press.

Mr. McBRIDE. I believe he was; yes, sir.

Mr. HALLEY. You never met him?

Mr. McBRIDE. Never met him.

Mr. HALLEY. Did you know Jake Guzik?

Mr. McBRIDE. Never met him.

Mr. HALLEY. Murray Humphrey?

Mr. McBRIDE. Never met him.

Mr. HALLEY. Any of the Fischetti's?

Mr. McBRIDE. Never met them.

Mr. HALLEY. Did you ever discuss Tony Accardo, or any of the Fischetti brothers, with either of the Angersolas, or with Al Polizzi?

Mr. McBRIDE. Never, never. Definitely no.

Mr. HALLEY. Did you ever speak to Al Polizzi, or any of the Angersola brothers about whether or not you would be able to operate Continental Press if you or your son took it over from Regan?

Mr. McBRIDE. Definitely not; no. The answer its "definitely not."

Mr. HALLEY. Is not your ability to make peace and continue without further harassment——

Mr. McBRIDE. Pardon me; I will answer that question——

Mr. HALLEY. I will withdraw that and put it this way: Was not your ability to continue the operation of Continental Press without further harassment from Trans-American due to your friendship——

Mr. McBRIDE. No.

Mr. HALLEY. With Al Polizzi and the King boys, the Angersolas?

Mr. McBRIDE. No; definitely not.

Mr. HALLEY. I have no further questions.

The CHAIRMAN. Mr. McBride, you said in the beginning that Continental wasn't a very good investment when you got into it.

Mr. McBRIDE. Do you think it was?

The CHAIRMAN. Well, I was looking at what I think is already in the record. You got your \$20,000 back pretty quick.

Mr. McBRIDE. That is right.

The CHAIRMAN. And that the first year there, from 1939, I think, and Mr. Gallagher, you can check your figures there, that this is what you have given us.

Mr. GALLAGHER. I will be glad to give you the figures accurately if you want them.

The CHAIRMAN. I have them here from November 1939, to December 1939. You withdrew \$16,000.

Mr. GALLAGHER. That was the net for the year.

The CHAIRMAN. Was that?

And then it has a distribution, and also for that period you got \$21,200 as part of the partners' income from Continental, making a total of about \$36,000 that you got back from November 1939 to December 31, 1939.

Mr. GALLAGHER. In a year's operation; that is correct.

The CHAIRMAN. And then from January 1, 1940, to December 31, 1940, you drew out \$43,024.82 as a distribution, and also you got some other dividend of \$30,361.04. Is that correct?

Mr. GALLAGHER. That may be correct. I would have to check those figures.

The CHAIRMAN. And that from January 1, 1941, until December 31, 1941, that your distribution was \$71,413.71, and that in addition to that you received \$43,405.30. That was from January 1, 1941, to December 31, 1941, \$71,000 plus \$43,000.

Mr. McBRIDE. For a year?

The CHAIRMAN. Apparently that is correct.

Mr. McBRIDE. I didn't think that was that good. I will have to take that back.

The CHAIRMAN. Then I have a further one here, until after you sold out to young Ragen, that from January 1, 1942, until August 22, 1942, you got a distribution of \$39,014, and that also you drew during that period \$55,900. These are from your own records, I believe.

Mr. McBRIDE. Well, I will have to take that back, then, Senator. Maybe it is correct.

The CHAIRMAN. So that, looking at it roundly here, in a period of about 2½ years it must have been about \$275,000 that Mr. McBride got out of the business.

Mr. McBRIDE. Well, then, it can't be a bad business, and I will have to take it back and correct the record and say it is a good business.

The CHAIRMAN. Well, whatever they add up to.

Mr. McBRIDE. I just went over it roughly with him. I said, "What did the business make?"

The CHAIRMAN. Now, the business was making big money during Mr. Annenberg's time, wasn't it?

Mr. McBRIDE. Yes; they went right direct to the bookmakers and had their offices and every place. The business made over \$2,000,000.

The CHAIRMAN. Before you made an investment, you inquired about it. At least, it was making big money.

Mr. McBRIDE. Yes; in the newspapers they carried what it made, in the investigation before the judge.

The CHAIRMAN. So you didn't have any fear of that \$20,000?

Mr. McBRIDE. Well, it was a gamble, and it was a lot of fear when you ain't got no wires, Senator.

The CHAIRMAN. Now, did I understand you have told about your business transactions with Al Polizzi? What was the other brother's name?

Mr. McBRIDE. Chuck. That ain't a brother. I don't know; it is Chuck Polizzi. He is not a brother; I don't know what the relation.

The CHAIRMAN. That is right. He is not a brother. He has some other name.

Mr. McBRIDE. I don't know that.

The CHAIRMAN. Did you say you had business relations with him, too?

Mr. McBRIDE. I don't recall any. I might have had. I know the man from 20 years, but I don't recall any at the present time.

The CHAIRMAN. Now, Mr. McBride, in fairness, I said I was going to ask you about the race track.

What was it you wanted to say about the race track?

Mr. McBRIDE. I will withdraw that question.

The CHAIRMAN. You mean your offer to testify. All right.

Mr. McBRIDE. Well, listen just a minute—well, I will drop it.

The CHAIRMAN. Did you make Eddie a gift of his first one-third interest?

Mr. McBRIDE. No; I collected—

The CHAIRMAN. Or did he pay for that?

Mr. McBRIDE. He paid for that, and I collected interest. I think I charged him either 4½ or 5 percent interest.

The CHAIRMAN. You loaned him the money and he paid you back?

Mr. McBRIDE. I loaned him the money.

The CHAIRMAN. Now, what is that radio station you own down in Miami?

Mr. McBRIDE. It is a radio station.

The CHAIRMAN. What is the name?

Mr. McBRIDE. WMIE.

The CHAIRMAN. I want to ask you about this, Mr. McBride.

We had testimony, in the recall petition of Melvin Hart, which was undoubtedly sponsored by certain people that were interested in book-making and gambling operations in Miami Beach, and also generally in connection with the work of the Miami Crime Commission, that your station down there, through some man—

Mr. McBRIDE. Bob Venn?

The CHAIRMAN. Mr. Barry Gray, has been very violent in support of the recall petition and also in opposition to the crime commission, and backing up generally the gamblers and the bookmakers on Miami Beach.

Is that the policy laid down by you?

Mr. McBRIDE. Definitely not, and they haven't backed up no policy of any gamblers on Miami Beach. That is definitely not so.

The CHAIRMAN. Well, it was generally known that the—

Mr. McBRIDE. Barry Gray is a commentator.

The CHAIRMAN. It is generally known that the S. & G. Syndicate and certain other people, bookmakers, were substantially interested in this recall petition.

I have seen some of the comments that he would make, and they would seem to indicate that the policy of the station was to back up the position of the gamblers along Miami Beach, or at least he was very vitriolic against Melvin Hart.

Mr. McBRIDE. I imagine he was. I have heard that before. But we don't—we take no sides, and anybody can get on that mike and talk, both sides.

The CHAIRMAN. I know, but I am talking about your radio commentator.

Mr. McBRIDE. Well, I had no control over him at all.

The CHAIRMAN. He only took one side—

Mr. McBRIDE. Oh, he took both sides. I differ with you.

Mr. GALLAGHER. Did you have any control over what he said?

Mr. McBRIDE. No.

The CHAIRMAN. Melvin Richards, instead of Melvin Hart, is the councilman.

Mr. McBRIDE. Yes; he is the councilman. May I get you straight on this, Senator?

The CHAIRMAN. Yes.

Mr. McBRIDE. I think that the only thing that Barry Gray—he had a contract with us, and he is off the station, been off about a year, but he was a commentator, and when we drew the contract with him he had the authority to say what he wanted to say.

I never gave him no order, or I never gave Mr. Venn, the man that runs the radio station, any order, any more than the man in Fort Pierce.

Mr. HALLEY. He was connected with the Miami Morning Mail, wasn't he?

Mr. McBRIDE. Yes; he wrote a column for them. And I asked him not to do that, and he wrote the column, and that is one of the reasons he isn't there today.

Mr. HALLEY. His views and the views of the Mail were very well known to you, were they not, when you hired him?

Mr. McBRIDE. No; they were not.

Mr. DEMPSEY. Excuse me. I don't know if I am still off bounds—

The CHAIRMAN. Yes; you are off bounds, Mr. Dempsey.

Mr. DEMPSEY. Well, I would like to discuss that, Mr. Halley.

You are familiar with WGAR's policy on commentators.

Mr. HALLEY. Well, weren't you familiar with his policies when you hired him?

Mr. McBRIDE. Who?

Mr. HALLEY. Barry Gray.

Mr. McBRIDE. At this time everybody could come in and talk, and there wasn't nothing wrong with him. Him and Richards got into a fight, I guess. I don't know.

But I had no control over Barry Gray, or the station management had no control over Barry Gray.

Mr. HALLEY. Assuming that, when he came in there, didn't you know that he was progambling?

Mr. McBRIDE. No; he was not, and he is still at Chandler's in New York. He wasn't progambling. He thought they ought to legalize gambling, and that was one thing he did think, and he didn't get it from me. That is his own habit of thought, Mr. Halley.

Mr. HALLEY. And those were his views when you originally signed him on.

Mr. McBRIDE. But I didn't know that when I signed him on.

He has an awful lot of listeners; he had a couple hundred thousand listeners every night. He is the most popular man down there in radio, and I think some of the writers here will tell you that if they want to be honest about it.

Mr. HALLEY. At any event he got on your air, and he certainly was progambling.

Mr. McBRIDE. He had a year's contract. I don't know about that; he was for legalizing gambling; but it wasn't my wishes. That is not

the bookmakers—legalized gambling, the bookmakers don't want that.

Mr. HALLEY. One other thing. Do you know Austin O'Malley?

Mr. McBRIDE. Yes.

Mr. HALLEY. How long have you known him?

Mr. McBRIDE. Well, I knew Austin when he used to work on newspapers, when he was Knox's right-hand man.

Mr. HALLEY. He is a press agent?

Mr. McBRIDE. That is right.

Mr. HALLEY. Who hired him for Continental?

Mr. McBRIDE. James Ragen, Sr.

Mr. HALLEY. Did you recommend him?

Mr. McBRIDE. No.

Mr. HALLEY. You had known him, though, at the time?

Mr. McBRIDE. Not very well. I met him through Mr. Knox at one time.

Mr. HALLEY. How did Ragen meet him? Through you?

Mr. McBRIDE. Well, he was around Chicago. He was around there, Mr. Halley. He worked on the same sheet one time that Ragen was working on, the Examiner, then went over as Knox's confidential man.

Mr. HALLEY. Did O'Malley ever go down to Florida to your knowledge and state that he was representing you?

Mr. McBRIDE. No; not to my knowledge. I never sent him down there.

Mr. HALLEY. Did you ever hire him?

Mr. McBRIDE. I never hired him.

Mr. HALLEY. Did you ever authorize him to represent you?

Mr. McBRIDE. No.

Mr. HALLEY. Did you ever authorize him to take steps to try to kill some newspaper stories attacking the Continental Press?

Mr. McBRIDE. No.

Mr. HALLEY. Did you ever hear that he has said that he represented you in his efforts?

Mr. McBRIDE. Personally, me?

Mr. HALLEY. Yes.

Mr. McBRIDE. No.

Mr. HALLEY. You personally?

Mr. McBRIDE. No; I never did.

Mr. HALLEY. Thank you.

The CHAIRMAN. Anything else?

Mr. NELLIS. Mr. McBride, how many radio stations are there in Miami, roughly?

Mr. McBRIDE. About nine.

Mr. NELLIS. How many Continental Press service—broadcast race results?

Mr. McBRIDE. All of them, if they can get it.

Mr. NELLIS. You are sure all of them do?

Mr. McBRIDE. At different times.

Mr. NELLIS. You are sure all of them do?

Mr. McBRIDE. Well, I have listened to all of them, and they at different times had it. It might have been that in a great big race—

Mr. NELLIS. Isn't it a fact that WMIE is the only one that carries race results?

Mr. McBRIDE. I didn't know that. I thought they all carried it.

MR. GALLAGHER. Isn't there a time lag on the stations that the FCC requests?

MR. McBRIDE. There is a time lag of 15 minutes.

MR. NELLIS. How many stations in Miami carried the crime-commission program, that sort of March of Time presentation?

MR. McBRIDE. It is no March of Time. It is Sullivan's Crime Program.

MR. NELLIS. Well, it was a dramatic presentation—wasn't it?—of anticrime crusades.

MR. McBRIDE. It is an anti-American, you might call it.

MR. NELLIS. Dramatizing stories of crime; is that right?

MR. McBRIDE. I never listened to it, only what my lawyers told me.

MR. GALLAGHER. May I make——

MR. NELLIS. Just a moment. I am not finished.

How many stations of the ones you know in Miami carried those programs?

MR. McBRIDE. I don't know.

MR. NELLIS. Well, isn't it a fact that the vast majority of them did?

MR. McBRIDE. I imagine so.

MR. NELLIS. Well, did WMIE carry them?

MR. McBRIDE. I don't think so; no.

MR. NELLIS. Why?

MR. McBRIDE. That is up to the station manager to carry them, whether he wants to carry them or not, and his lawyer advised him not to carry it, and his lawyer—one of his lawyers was going to file a suit for a half million dollars against them.

MR. NELLIS. Did you ever advise the station manager not to carry those programs?

MR. McBRIDE. No, sir; I did not.

MR. NELLIS. Have you ever heard any of them?

MR. McBRIDE. No; I have not.

MR. GALLAGHER. Mr. Chairman, may I just make this statement?

MR. Dan Sullivan was called in by the FCC to testify under oath.

He had addressed communications to the FCC charging that the Continental Press Service was owned by the Capone mob.

Now, it is very easy, just like Virgil Peterson did the same thing in the Press, many a time, in his reports of the Chicago Crime Commission, that Continental was owned by the mob.

Dan Sullivan, when he was called in under oath before the FCC, said he had no knowledge of it, and his only knowledge was predicated on a letter sent to him in Miami by the same Virgil Peterson in Chicago.

The CHAIRMAN. I have seen his testimony, Mr. Gallagher.

MR. GALLAGHER. Before the FCC?

The CHAIRMAN. Yes, sir.

MR. GALLAGHER. I can see why that would be a good reason, Senator. WMIE wouldn't carry that man's program on its station.

The CHAIRMAN. Of course, he was there with his program a long time before he made that statement.

MR. GALLAGHER. Yes. He made that statement a long time ago, and then wasn't able to back it up under oath.

The CHAIRMAN. What I mean is, his program has been carried on a long time.

MR. GALLAGHER. Well, I don't know about the time on the program. The CHAIRMAN. You have the privilege of carrying it or not. We are just trying to get your general attitude on that.

MR. NELLIS. I have no further questions, Mr. Chairman.

The CHAIRMAN. Now, Mr. Gallagher, if you want to ask Mr. McBride any questions, you or Mr. Dempsey——

MR. GALLAGHER. I would merely like, Mr. Chairman, to ask Mr. McBride a question which is the note that he ended on at the noon recess.

MR. McBRIDE, are you engaged now or have you ever been engaged in any illegal business in violation of either State or Federal law?

MR. McBRIDE. No, definitely not.

MR. GALLAGHER. That is all.

The CHAIRMAN. All right. If you want to ask him—oh, yes. You said you didn't want to talk about the race tracks but you had some idea about how to stop gambling and crime.

MR. McBRIDE. What do they do——

The CHAIRMAN. If you have——

MR. McBRIDE. I haven't said "crime." I am not a specialty on crime, and I can't tell you how to stop crime. I know this: that I do try to help individuals if they have been away and come back; I try to help them. There was a Judge Adams here that might have sent 50 people——

The CHAIRMAN. What is that philosophy you wanted to talk about? Let's let him testify.

MR. McBRIDE. All right, sure. You didn't understand it. I was asking him.

If you want to stop gambling in this country on the horses, all you have to do is stop the race track. That's all you have to do. Why should they gamble inside a fence and can't gamble outside of a fence?

The CHAIRMAN. Then they will gamble from Tia Juana; won't they?

MR. McBRIDE. Well, you want to stop it in America; so, that's the way to do it.

MR. DEMPSEY. I may say, Senator, the record does show it was very unsuccessful when the race tracks were closed down during the war. The Cuban and Mexican tracks did not have any very great business.

The CHAIRMAN. Well, you got the news from Tia Juana, from Havana?

MR. McBRIDE. Yes, but there was no interest in it. You see, the only interest you have in a race track is where they can follow it, where they can follow the horses and know the horses.

The CHAIRMAN. Are there any questions you want to ask, Mr. Dempsey?

MR. DEMPSEY. I would just like to say this: That the question——

The CHAIRMAN. If we want you any more, we will let you know, so you remain under subpoena—not under subpoena, under our agreement.

MR. GALLAGHER. That is right. Thank you, sir.

MR. DEMPSEY. Do you think you might want us sometime; so we can make arrangements to go home?

The CHAIRMAN. You can go on home.

MR. McBRIDE. Thank you, Mr. Senator. It is nice to know you, and I hope to see you. Sorry we didn't have a more pleasant meeting.

The CHAIRMAN. Good-by.

The committee will come to order. We will call Mr. Polizzi just for a limited purpose, and then after that we will adjourn until 9:30 in the morning. In the morning we will start at 9:30.

If Mr. Polizzi is here, bring him in.

TESTIMONY OF ALFRED POLIZZI, CORAL GABLES, FLA., ACCOMPANIED BY PARKER FULTON, ATTORNEY, CLEVELAND, OHIO

The CHAIRMAN. Mr. Polizzi, do you solemnly swear the testimony you give to this committee will be the whole truth and nothing but the truth, so help you God?

Mr. POLIZZI. I do.

The CHAIRMAN. Sit down, Mr. Polizzi.

Mr. FULTON. For the purpose of the record—

The CHAIRMAN. Yes; all right.

Mr. FULTON. Mr. Polizzi is appearing in response to a telegram which supplements the subpoena.

The CHAIRMAN. Yes, sir; that's right.

Mr. FULTON. I appear on his behalf. My name is Parker Fulton.

The CHAIRMAN. Your address in Cleveland, Mr. Fulton?

Mr. FULTON. 1250 Terminal Tower Building. The telephone number is Cherry 1-0140.

The CHAIRMAN. Have a seat, sir.

Mr. FULTON. As I understand it presently, Mr. Polizzi is being called for a limited purpose.

Mr. NELLIS. Yes, sir.

Mr. FULTON. We are going to carry on then in the morning?

The CHAIRMAN. Yes, sir; that's right.

Mr. FULTON. Even though it is only for a limited purpose, I must, if permitted, make a very brief, very brief statement.

The CHAIRMAN. All right, go ahead.

Mr. FULTON. I am accustomed to dealing with specific issues, and I want to be sure that I know what I am doing. I understand that this is a senatorial investigation of organized crime in interstate commerce; that that is the question under inquiry, and that the purpose of the inquiry is to ascertain the facts upon which may be based legislation which may prevent or tend to prevent organized crime or any kind of crime, I assume, in interstate commerce.

The witness is here under subpoena. I have seen the telegram. I wonder if I might have the subpoena.

Mr. NELLIS. There is the subpoena.

Mr. FULTON. Well, it is as I understand it to be.

Now, from what transpired this morning, I assume that, although the resolution provides that two members of the committee constitute a quorum, appropriate action has been taken whereby one member may preside and act. If that is so, then I will not interpose any objection on that ground.

I want to make this point, having seen that subpoena: that I cannot tell from reading it whether it is a subpoena directed to Polizzi to testify on this general subject of organized crime in interstate commerce, because the language of the subpoena seems rather inconsistent with the subject matter under inquiry.

Mr. NELLIS. May I read it, sir?

Mr. FULTON. Yes, please.

Mr. NELLIS (reading) :

Pursuant to lawful authority, you are hereby commanded to appear, then and there to testify what you may know relative to the subject matters under consideration by said committee.

Mr. FULTON. The subpoena asks to bring certain records about his personal financial transactions, and I cannot tell if it is not a subpoena whether it is a charge.

I might say that I came over here today and I have changed my mind about one thing. I came here prepared to file an appropriate action in the district court for declaratory judgment with injunction incidental and ancillary to it, to have declared the validity, the sufficiency, and the meaning, the intendment, and the scope of this subpoena, the status of this respondent—I will call him that—in relation to the inquiry and by reason of the subpoena; but, because of things that did transpire earlier in connection with another witness at the very early stages of this case, I have decided presently at least not to file any such action as that.

Mr. HALLEY. Mr. Fulton—

Mr. FULTON. I am going to ask that this session be a private and secret one, at which I assure you this witness will testify freely and without reliance upon any privilege allowed by statute.

Mr. HALLEY. Mr. Fulton, the witness is now before the committee, and may I suggest that, whether or not prior to his appearance you had objection to the subpoena or any of its language, he is now before the committee; has made an appearance, and, therefore, is subject to the jurisdiction of the committee.

Mr. FULTON. I have permitted him to be sworn.

Mr. HALLEY. That is right, and he must answer all questions relating to the subject matter concerning which the Senate of the United States has given this committee jurisdiction.

Therefore, it would seem to me that the best thing to do is just go ahead and as we have in the past attempt to stay within the confines of the committee's jurisdiction.

Mr. FULTON. I am not so much interested in what is the best thing as I am interested in what is the proper thing for my client, and I do propose that we go ahead. I am hopeful that you will do it in executive session. I cannot insist on that because I realize, first, it is a matter of discretion and judgment with the committee and, second, that we have made this appearance. But whichever way it is done, this gentleman here will be cooperative.

The CHAIRMAN. All right. We appreciate that, Mr. Fulton. I know that you mean it, you have taken a very friendly attitude. We will certainly try to see that your client is not imposed upon but if we had an executive session then we would have to have an open one afterward and so I cannot see that a great deal would be accomplished.

Mr. FULTON. May I say one thing on this limited purpose? I suppose it is about the exhibits?

The CHAIRMAN. Yes, sir.

Mr. FULTON. Now, Mr. Polizzi told me when he first saw me yesterday that he was under an obligation as there was also an implied promise, if not a direct one, to furnish certain records prior to

the time of his appearance. Now gentlemen and Senator Kefauver, the declination thus far not to present them does not rest on him but on me, his lawyer.

I didn't want to send him over alone. I didn't want them put in my possession to be brought over because I have been taught by my good friend, Don Miller and his office, the clerk's office here of the United States court, to be very careful about handing exhibits in. I had difficulty last week trying to get some exhibits from the clerk's office to be used in a case in the common pleas court. So don't blame Mr. Polizzi. We are here now and he has with him some records.

The CHAIRMAN. All right. Let's see what you have, Mr. Polizzi.

Mr. POLIZZI. Are you allowed to smoke?

The CHAIRMAN. No smoking. I am sorry. It is harder on me than anybody else.

Mr. NELLIS. All right, Mr. Polizzi, may we have your name and address, just for the record, please?

Mr. POLIZZI. My name is Alfred Polizzi and I reside at 6857 Granada Boulevard, Coral Gables.

Mr. NELLIS. Any other residences?

Mr. POLIZZI. Business address, if you would like.

Mr. NELLIS. Yes, may I have that, please?

Mr. POLIZZI. 300 Rinello, the same city, Coral Gables.

Mr. NELLIS. What business is that?

Mr. POLIZZI. That's construction, general construction.

Mr. NELLIS. What is the name of it?

Mr. POLIZZI. Thompson & Polizzi.

Mr. NELLIS. Have you brought any records in response to this subpoena issued upon you?

Mr. POLIZZI. Yes, I have.

Mr. NELLIS. Did you make a promise in Florida to anyone to deliver them prior to the hearing?

Mr. POLIZZI. I would like to explain that.

Mr. NELLIS. Well, did you bring—

The CHAIRMAN. Anyway, he has agreed to but his counsel told him not to.

Mr. POLIZZI. I beg your pardon.

Mr. FULTON. I didn't tell him not to but I saw that it wasn't done.

Mr. POLIZZI. May I say what transpired between Mr. Mills and myself?

Mr. NELLIS. Let's save that until tomorrow, Mr. Polizzi. You have the records here with you, right?

Mr. POLIZZI. Yes.

Mr. NELLIS. Would you please identify them for the record as you hand them to the chairman.

Mr. POLIZZI. I have got property deeds here. Some of them might be duplicates, copies.

Mr. FULTON. I might say some I know are because I find they are duplicates of exhibits already in the record.

Mr. POLIZZI. Some of these are copies.

The CHAIRMAN. All right. You have a group of property deeds. Let's have them marked as exhibit No. 39.

Mr. POLIZZI. Oh, yes. Here are some photostatic copies of some property as well. I had those mailed to me, as you can see.

Mr. NELLIS. Will you identify them loudly so the reporter can hear you? Identify what you are giving the chairman.

Mr. POLIZZI. I have already turned it in.

Mr. NELLIS. All right. Go ahead.

Mr. POLIZZI. I have here an undocumented number on the *Wood Duck* which is a boat that I own.

The CHAIRMAN. We will make that exhibit No. 40.

Mr. FULTON. When you say you are making it an exhibit, then you are receiving it in evidence now?

The CHAIRMAN. That's right.

Mr. FULTON. I object to the receipt in evidence of those exhibits as not being pertinent to the subject under inquiry in view of the testimony already in this record by Mr. Sullivan on page 152.

The CHAIRMAN. Your objection for the time being will be overruled.

I think most of these we can turn back shortly. Some of them we may want to make copies of.

Mr. NELLIS. Mr. Polizzi, can we get along?

Mr. POLIZZI. Yes; I'm terribly sorry.

Here is an agreement here on a piece of property that was purchased for my wife. I don't know whether that belongs in here or not.

The CHAIRMAN. Anyway, it is.

Mr. POLIZZI. That property has been sold. It is listed between the Marmon Realty Co. and Alfred Polizzi. That property has been sold.

The CHAIRMAN. That is exhibit No. 41.

Mr. POLIZZI. Here is another one that deals in lots, property.

The CHAIRMAN. This document dated September 26, 1947, will be exhibit No. 42.

Mr. POLIZZI. Here is a partnership agreement for the Sands Hotel.

The CHAIRMAN. Partnership agreement, 15th of August 1946, will be exhibit No. 43.

Mr. POLIZZI. I have a number of closing statements here on real estate.

The CHAIRMAN. Will you put them all together? We will treat them as exhibit No. 44.

Mr. POLIZZI. I have here some statements relative to this property in Cleveland, and a closing statement of the sale thereof.

The CHAIRMAN. Mark that as exhibit No. 45.

Mr. POLIZZI. I also have here a closing statement in a deal with the home that I sold.

The CHAIRMAN. Exhibit No. 46.

Mr. POLIZZI. I also have here some more lots and closing statements and cost—and selling price of the various lots in question, namely, the University Estates.

The CHAIRMAN. That will be marked exhibit No. 47.

(Exhibits Nos. 39, 40, 41, 42, 43, 44, 45, 46, and 47, witness Alfred Polizzi, were returned to the witness after analysis by the committee.)

Mr. POLIZZI. That is the holding company—what is the name of that holding company?

Mr. NELLIS. H. I.

Mr. POLIZZI. H. I. Holding Co.

I don't know—gentlemen, I think that is about all with the exception of——

Mr. NELLIS. How about your income-tax record for 1945 to the present?

Mr. FULTON. Before we go into that, taking these exhibits 39 through 47—and before I object to the receipt of them as not being pertinent to the subject matter under inquiry, I would like to ask Mr. Polizzi two or three questions.

Are you engaged in any criminal activities?

Mr. POLIZZI. I am not.

Mr. FULTON. Are you engaged in any crime in interstate commerce?

Mr. POLIZZI. I am not.

Mr. FULTON. Are you engaged in any organized crime in interstate commerce.

Mr. POLIZZI. I am not.

Mr. FULTON. Are you engaged in any organized crime of any kind, State or Federal?

Mr. POLIZZI. I am not engaged in any illegitimate business or crime of any sort.

Mr. FULTON. These exhibits 39 to 47, both inclusive, relate to financial transactions having to do with purchase and sale of real estate and other types of business transactions?

Mr. POLIZZI. That's right.

Mr. FULTON. Do they have anything to do with crime or criminal transactions?

Mr. POLIZZI. None whatsoever.

Mr. FULTON. They all relate to matters since 1945 as the subpoena directs?

Mr. POLIZZI. Right.

Mr. FULTON. We object to the receipt of 39 to 47, inclusive, because they do not pertain to the subject matter under inquiry. I just want the record to show that. I know what Your Honor will probably rule.

The CHAIRMAN. Yes, all right.

Mr. NELLIS. Where are the tax returns, Mr. Polizzi?

Mr. FULTON. The tax returns are here. I wanted those separated because I am objecting to those on a different ground.

The CHAIRMAN. Can all the tax returns be marked "Exhibit No. 48"?

Mr. FULTON. I object, because I have knowledge of no way by which any taxpayer can be compelled to show his copy except in a case in the Federal court where the tax question is at issue and the United States Government is a party to the case.

I do know that it is almost impossible for officials who have to do with them to present from them or testify from them or about them by virtue of the section 55, title 26, or 55 of the Internal Revenue Code, and I suppose that you have got—this special committee surely has received some Executive order which has placed into your possession the originals of these.

Gentlemen, in this very room only about——

The CHAIRMAN. Mr. Fulton, of course we can get the information from the tax returns. We asked the witness to bring them in.

Mr. FULTON. They are going to be submitted, but I want the record to show my position about it.

Mr. POLIZZI. I am sorry, but there is one more statement here with reference to another home that was sold in Cleveland.

The CHAIRMAN. That will be——

Mr. FULTON. This one ought to be exhibit No. 48.

The CHAIRMAN. This one will be exhibit No. 48.

Mr. FULTON. And No. 49 will be the tax returns?

The CHAIRMAN. Exhibit No. 49 will be the tax returns.

(Exhibits No. 48 and 49 were later returned to the witness.)

Mr. FULTON. Having said my say, you will find there will be very little objections or exceptions from here on.

The CHAIRMAN. All right, Mr. Fulton. Thank you.

Now, is that all?

Mr. NELLIS. Have you brought any other records?

Mr. POLIZZI. I believe that is all with the exception of some tax receipts that I have here, I mean city and county local tax.

Mr. NELLIS. The burden is on you. Have you brought all your records?

The CHAIRMAN. Would you mind, Mr. Fulton, if, after the hearing, if Mr. Nellis or Mr. Klein would look at these miscellaneous tax receipts he has in his bag and see if they have any relevancy, and if they don't, why then, we won't bother with them; if they do, he can bring them in in the morning.

Mr. FULTON. I have no objection to that.

The CHAIRMAN. The committee will stand in recess until 9:30.

Mr. Polizzi, you be back in the morning at 9:30.

Mr. POLIZZI. Yes, sir.

(Thereupon, at 6:10 p. m., January 17, 1951, the hearing was recessed until 9:30 a. m., January 18, 1951.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

THURSDAY, JANUARY 18, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Cleveland, Ohio.

The committee met, pursuant to adjournment, at 9:35 a. m., in room 318 Federal Building, Senator Estes Kefauver, chairman, presiding.

Present: Senator Kefauver.

Also present: Rudolph Halley, chief counsel; Joseph L. Nellis, assistant counsel; John McCormick, investigator.

The CHAIRMAN. The committee will come to order.

We will defer calling Mr. Polizzi until later in the morning.

At this time, Mr. Giesey, who brought in certain records yesterday, will be recalled. Ask Mr. Giesey to come around, please.

We will stand in recess for about 2 minutes. I think our witness is on his way over.

(Short recess.)

The CHAIRMAN. All right. I understand Mr. Giesey is here. Let him come around.

I must admonish witnesses that in the future when they are asked to be here at a certain time to be on hand at that time.

The chairman has received a telegram from Joseph Duke, Sergeant-at-Arms of the United States Senate with reference to the so-called witnesses who are missing. It states:

Service of subpoenas not possible because the men sought are in hiding. Information to their whereabouts has been furnished to the United States Marshal in Miami, Fla., and Las Vegas, Nev.

Sincerely,

JOSEPH C. DUKE,
Sergeant-at-Arms, United States Senate.

We might state we are still trying to find these witnesses and we do expect to locate them and have them testify before we get through.

Also, I want to restate what I said yesterday morning, that if anyone's name is brought out in this hearing who feels that their name has been improperly used or they want to make any explanation or denial or amplification of what has been said, we want to invite them to let us know about it because we do not want to leave Cleveland with anybody feeling that they didn't have a chance to present their explanation of their side of any controversy that comes up here.

FURTHER TESTIMONY OF ALVIN E. GIESEY, ACCOUNTANT, ACCOMPANIED BY TIMOTHY McMAHON, ATTORNEY

The CHAIRMAN. Now, Mr. Giesey, I hope that in the future when witnesses are called for a specific time that they will be here promptly when they are called.

Mr. McMAHON. I would like to make an explanation for a moment, Senator. Mr. McCormick called my office at 9 o'clock, and I was on my way downtown—

Mr. NELLIS. We made efforts to call before that.

Mr. McMAHON. Well, I think it is satisfactory.

The CHAIRMAN. Very well. Let's proceed, Mr. Nellis.

Mr. McMAHON. Before we proceed, Mr. Senator—

Mr. NELLIS. Let me ask my first question, sir.

Mr. McMAHON. Very well.

Mr. NELLIS. You have given your name and address for the record. Would you do that again, please?

Mr. GIESEY. Alvin E. Giesey, Gridley Road, Shaker Heights, Ohio.

Mr. NELLIS. Will you give us your office address?

Mr. GIESEY. 601 Bulkley Building.

Mr. NELLIS. And you are a certified public accountant?

Mr. GIESEY. I am not a certified public accountant. I am a practicing public accountant.

The CHAIRMAN. Mr. McMahon, did you have some statement?

Mr. McMAHON. Yes. I just want you to know that we are continuing in the manner which we did yesterday.

The CHAIRMAN. That is understood.

Mr. McMAHON. I want to show my continuing objection to the fact that the other four members of the committee are not present.

The CHAIRMAN. Yes; we understand that. All right, Mr. Nellis.

Mr. NELLIS. Mr. Giesey—

Mr. McMAHON. Just a moment. There is one thing that Mr. Giesey, in line with what you first expressed, Senator, would like to say.

In the Cleveland Press last evening there appeared a statement to the effect that the 5,000 shares of United Aircraft stock is worth \$180,000. Now, he has some explanation of that.

Mr. NELLIS. Can we hold that until we get to it?

The CHAIRMAN. All right. Let him make his explanation. How much is it worth?

Mr. GIESEY. In the article it states 5,000 shares of United Aircraft Corp., Inc., stock, this was listed on the exchange as worth \$36 a share or \$180,000.

In the Cleveland Press for the same date, if they would look on the stock exchange, they will find that the United Aircraft Products was sold at a high of \$0.50 per share, a low of \$6.25 per share, and closed at 6¾, which makes a difference of \$160,000 between what the Cleveland Press showed that stock was worth and what I read into the record telling where that stock was listed and everything else yesterday, and I just wondered if the Senator had the impression that I was that wealthy. I just wanted to correct it.

The CHAIRMAN. All right. We will deduct from your wealth, Mr. Giesey.

Mr. GIESEY. That I would take on my tax return.

The CHAIRMAN. The confusion probably comes—they probably looked at Detroit Steel Corp. instead of United Aircraft. I think the figure is about right for Detroit.

Mr. GIESEY. No. Detroit Steel stock was around 31 yesterday.

The CHAIRMAN. Thirty-two, I believe, yesterday.

Mr. GIESEY. It might be 32.

The CHAIRMAN. All right, sir.

Mr. NELLIS. Now, Mr. Giesey, would you tell the chairman of your background? Are you from Cleveland originally?

Mr. GIESEY. Yes, sir.

Mr. NELLIS. When were you born?

Mr. GIESEY. In Wheeling, W. Va., 1898.

Mr. NELLIS. Did you study public accounting in Cleveland?

Mr. GIESEY. No, sir.

Mr. NELLIS. When did you go to work for the Bureau of Internal Revenue?

Mr. GIESEY. 1920.

Mr. NELLIS. In the Cleveland office?

Mr. GIESEY. In Washington.

Mr. NELLIS. Washington, D. C.?

Mr. GIESEY. Washington, D. C.

Mr. NELLIS. And when did you come to Cleveland with the Bureau?

Mr. GIESEY. 1921.

Mr. NELLIS. And what were your duties there?

Mr. GIESEY. Internal revenue agent.

Mr. NELLIS. Intelligence Unit?

Mr. GIESEY. No, sir; internal revenue agent's office.

Mr. NELLIS. Now, did you have anything to do with the investigation which resulted in a conviction of Morris Kleinman on November 2, 1933, for income-tax evasion, for which he received a sentence of 4 years and a \$15,000 fine?

Mr. GIESEY. I was one of the internal-revenue agents conducting that investigation.

Mr. NELLIS. Well, would you go into that a little more deeply and tell the committee what you did, and whether or not you testified before the grand jury, and so on?

Mr. GIESEY. I think the investigation of the Kleinman case may have covered a period of a year or more, which culminated in a hearing before the grand jury, presenting evidence, together with other witnesses, which resulted in an indictment.

Mr. NELLIS. Which occurred approximately when? 1933?

Mr. GIESEY. I would say it is in 1931 or 1932.

Mr. NELLIS. And was that the first time you had met Mr. Kleinman?

Mr. GIESEY. That is the first time, yes.

Mr. NELLIS. Now, in various years, you or your partner—by the way, when did you form your partnership with Sauers?

Mr. GIESEY. I was in business for myself until I was called into the Army as a field artillery officer in the Reserve Corps, late in 1942, and I had to take a partner in with me to carry on my business, I hoped.

Mr. NELLIS. But when did you leave the Bureau of Internal Revenue?

Mr. GIESEY. 1934.

Mr. NELLIS. So from 1934 until 1941 you practiced public accounting by yourself, is that right?

Mr. GIESEY. Yes, sir.

Mr. NELLIS. Did Mr. Kleinman come to you subsequent to the conviction and ask you to do any work for him? When was the first time he came to you and asked you to do any work for him?

Mr. GIESEY. I think it was about 2 years after I was out of the Government service that Mr. Kleinman came to me. He said he had one thing in mind and that was to engage me for the purpose of seeing that from now on he didn't get in any more trouble with his income-tax returns.

Mr. NELLIS. And he did in fact engage you at that time, is that right?

Mr. GIESEY. Mr. Kleinman engaged me at that time and I think I have been making his tax returns out ever since that time.

Mr. NELLIS. Through Mr. Kleinman you met various people, is that right?

Mr. GIESEY. Yes, sir.

Mr. NELLIS. Did you meet Mr. Al Polizzi through him?

Mr. GIESEY. I don't recall that; no.

Mr. NELLIS. Who did you meet? How did you meet Mr. Polizzi?

Mr. GIESEY. I don't definitely recall, Mr. Nellis, how I met him, but I don't think it was through Morris Kleinman; it might have been.

Mr. NELLIS. How did you meet John Angersola?

Mr. GIESEY. Probably through Mr. Polizzi.

Mr. NELLIS. But you don't recall who introduced you to Polizzi?

Mr. GIESEY. No, sir; I don't, Mr. Nellis. It could have been back in 1936 or 1937 which is 13 years ago and I wouldn't recall how I met a lot of people.

Mr. NELLIS. You testified that you may have met John Angersola through Polizzi, is that right?

Mr. GIESEY. I think that is possible; yes, sir.

Mr. NELLIS. How did you meet Charles—Chuck Polizzi?

Mr. GIESEY. Probably through this same combination.

Mr. NELLIS. Well, now, aren't you sure in your own mind how you first got to meet Mr. Polizzi?

Mr. GIESEY. No, Mr. Nellis.

Mr. NELLIS. Or Mr. Angersola?

Mr. GIESEY. I am not sure how I met those gentlemen, sir.

Mr. NELLIS. How about Moe Dalitz? When did you first meet him?

Mr. GIESEY. I probably met him in connection with Morris Kleinman, about the same time.

Mr. NELLIS. What year was that?

Mr. GIESEY. Maybe 1936.

Mr. NELLIS. Did he introduce you as his tax consultant? Did Mr. Kleinman introduce you to Mr. Dalitz as his tax consultant?

Mr. GIESEY. I don't think he used those particular words.

Mr. NELLIS. Well, now, Mr. Giesey, tell us this story.

Mr. GIESEY. If you can tell me what you want—

Mr. NELLIS. All right.

Mr. GIESEY. Maybe I can tell you, Mr. Nellis.

Mr. NELLIS. You have testified that you met Dalitz probably through Kleinman. Aren't you sure?

Mr. GIESEY. Yes, I am very positive I met him through Mr. Kleinman.

Mr. NELLIS. What was the conversation at that time, do you recall that?

Mr. GIESEY. As I recall, Mr. Kleinman and what associates he had engaged me for one purpose and that was to see that they filed proper income-tax returns and had the proper records to substantiate them, and that is evidenced by the fact that the Government has checked those income-tax returns through and including the year 1948 and their tax cases are closed to that date.

Mr. NELLIS. How did you meet Louis Rothkopf?

Mr. GIESEY. Through—unquestionably through Kleinman.

Mr. NELLIS. Kleinman was the key man who introduced you to all of these people we have been talking about?

Mr. GIESEY. I wouldn't say Mr. Kleinman was the key man; he is the man I knew first.

Mr. NELLIS. Who is the key man?

Mr. GIESEY. I would have met Mr. Dalitz and Mr. Dalitz could have introduced me to Rothkopf.

Mr. NELLIS. How would Dalitz get to you before Kleinman? How would he know about you?

Mr. GIESEY. Through Kleinman. I could have met them all at the same time.

Mr. NELLIS. How about Sam Tucker?

Mr. GIESEY. That could have happened at the same time.

Mr. NELLIS. How about Mushy Wexler? When did you meet him?

Mr. GIESEY. Oh, I don't know. That was some years later. I wouldn't recall when I met Mushy Wexler, or I don't remember where I met Mushy Wexler.

Mr. NELLIS. Did he come to your office.

Mr. GIESEY. I don't know whether he came to my office or I met him on the street or where I met him. I met Mushy Wexler, but where, I do not know, Mr. Nellis.

Mr. NELLIS. You know all of these people well, don't you?

Mr. GIESEY. I know all of those people professionally, not socially.

Mr. NELLIS. You know them pretty well, don't you?

Mr. GIESEY. Yes, sir; I do.

Mr. NELLIS. Have you ever been in any of their homes?

Mr. GIESEY. I think I was in Mr. Polizzi's home.

Mr. NELLIS. Which Polizzi?

Mr. GIESEY. Mr. Al Polizzi's home. When?

Mr. NELLIS. Where and when?

Mr. GIESEY. When he lived in Shaker Heights.

Mr. NELLIS. What year, about?

Mr. GIESEY. Prior to the war.

Mr. NELLIS. That was a social visit?

Mr. GIESEY. No, sir. I may have called over there for something in connection with a business matter.

Mr. NELLIS. Did you bring your wife with you when you called on him?

Mr. GIESEY. That I don't recall.

Mr. NELLIS. Does your wife know Mrs. Polizzi?

Mr. GIESEY. No, sir.

Mr. NELLIS. How about John Angersola? Have you ever visited in his home?

Mr. GIESEY. I have never been in his home; no, sir.

Mr. NELLIS. Charles Polizzi?

Mr. GIESEY. No, sir.

Mr. NELLIS. Moe Dalitz?

Mr. GIESEY. No, sir.

Mr. NELLIS. Louis Rothkopf?

Mr. GIESEY. Yes; I have been in Mr. Rothkopf's home.

Mr. NELLIS. Where is his home?

Mr. GIESEY. It is in Chagrin Falls.

Mr. NELLIS. Is that Bainbridge Road, is that south of Chagrin Falls?

Mr. GIESEY. That's right.

Mr. NELLIS. What does he have there?

Mr. GIESEY. He has a home.

Mr. NELLIS. Is it a farm or an estate?

Mr. GIESEY. He has a farm that he operates as a farm. He has his home there.

Mr. NELLIS. How big a place is it, Mr. Giesey?

Mr. GIESEY. It might be several acres.

Mr. NELLIS. How did you get to meet Mr. Samuel T. Haas?

Mr. GIESEY. Well, I have known Mr. Haas, I would say, since about 1935.

Mr. NELLIS. How did you meet him?

Mr. GIESEY. When I was in the internal revenue services, we were—I was engaged with another revenue agent on checking one Mr. Kohler, formerly mayor of the city of Cleveland.

Mr. McMAHON. Fred Kohler?

Mr. GIESEY. Fred Kohler.

Mr. NELLIS. Yes.

Mr. GIESEY. And something came up, I don't know what it was. I called on Mr. Haas in connection with it.

Mr. NELLIS. Was he representing Mr. Kohler?

Mr. GIESEY. He might have been. Mr. Kohler was dead at that time so we were talking to anybody we could get any information from.

Mr. NELLIS. Was that the same case where a large sum of cash was found in a strongbox?

Mr. GIESEY. That is the case.

Mr. NELLIS. Could you tell me about the strongbox and the cash, briefly?

Mr. GIESEY. Well, whether I am in a position to disclose any information that I obtained as a revenue agent is something that I would like to——

Mr. NELLIS. Give it to us generally without exposing any confidences. It is a matter of common knowledge, isn't it?

Mr. GIESEY. No, sir; I don't think so.

Mr. NELLIS. Well, a large sum of money was found in a cash box in that estate case; isn't that a matter of common knowledge?

The CHAIRMAN. I will rule that you can tell it all right.

Mr. McMAHON. What has a strongbox in Fred Kohler's estate have to do with——

Mr. NELLIS. What does Mr. Gieseey know about that situation involving a strongbox found at the time in Fred Kohler's estate?

Mr. McMAHON. Tell him what you know, if you know it definitely.

Mr. GIESEY. The only definite knowledge I have of that, another internal-revenue agent and myself went to the bank and got a record from the bank what was in that strongbox. We didn't discover the strongbox when Mr. Kohler died; I think it was of record in his name, and when they opened the box, they found certain securities in there. I don't recall any cash being in the box. I think they were United States——

Mr. NELLIS. What were the securities worth, roughly?

Mr. GIESEY. I think they were United States bonds. It was several hundred thousand dollars. I don't recall.

Mr. NELLIS. That is the Fred Kohler who was former mayor of this city?

Mr. GIESEY. That is right.

Mr. NELLIS. You may have met Mr. Haas in the course of that investigation?

Mr. GIESEY. That is right.

Mr. NELLIS. You are sure you were not introduced to him by Kleinman?

Mr. GIESEY. No, sir; I know I was not.

Mr. NELLIS. Or by any of the others we have mentioned?

Mr. GIESEY. No, sir; I know I was not.

Mr. NELLIS. You are positive of that?

Mr. GIESEY. Very positive of that.

Mr. NELLIS. How did you meet Jerry Milano?

Mr. GIESEY. Jerry Milano is another client that was handled by our office as a routine matter, and I met Jerry Milano when he came in the office. I didn't even know who he was.

Mr. NELLIS. What did he say to you at the time he came?

Mr. McMAHON. May we have the time and place?

Mr. NELLIS. Approximately when was it? Let's ask that first. When was it that Jerry Milano came to you and where and how did he happen to come there and what did he say? Can you give us the story on that?

Mr. GIESEY. Yes, Mr. Nellis. I think it must have been back in 1939. He said he was going in the jukebox business or pinball machines at that time and wanted us to file his income-tax returns.

Mr. NELLIS. Did it ever come to your notice in filing any of his returns or those of the Buckeye Catering Co., that there were anything besides pinball and skill game machines involved?

Mr. GIESEY. No, sir; I wouldn't know that.

Mr. NELLIS. Do you know anything about slot machines in that company?

Mr. GIESEY. No, sir; I do not. Let me say one thing, Mr. Nellis. There is some 300 tax returns we prepare. We are talking about maybe 10 or 15 and for me to remember all those details, I think is making it quite——

Mr. NELLIS. Well, do the best you can. I think we are getting along very well.

Mr. GIESEY. I can assure you I am going to do the very best I can.

Mr. NELLIS. I think we are getting along very well, and if you will just try try to remember, we will do all right.

Mr. GIESEY. I will try to do the best I can.

Mr. NELLIS. Now, you don't remember any slot-machine income of the Buckeye Catering Co.?

Mr. GIESEY. No, sir; I don't think we had any slot machines around here after 1939. There could have been; I wouldn't know.

Mr. NELLIS. Well, in 1949, they list your firm on their records, which are in the committee file, as receiving a weekly expense of \$750. What is that about?

Mr. GIESEY. Will you restate that, please?

Mr. NELLIS. In 1949, the Buckeye Catering books list the firm of Giesey & Sauers as receiving \$750 a week.

Mr. McMAHON. What record is that? May we have that identified?

Mr. GIESEY. I would like to see the record, Mr. Nellis.

Mr. NELLIS. Well, we have it here.

Mr. GIESEY. Well, if we got \$750, my partner——

Mr. NELLIS. Now, who is John Scalish?

Mr. GIESEY. John Scalish? I don't think we ever had anything to do with John Scalish that I know of.

Mr. McMAHON. How do you spell that?

Mr. NELLIS. S-c-a-l-i-s-h.

Mr. GIESEY. I don't think I have ever done any work for John Scalish that I know of, except I think his 1949 tax return has been prepared by our office.

Mr. NELLIS. Let the record show that John Scalish, 11706 Farrington Road, Cleveland, Ohio, filed returns for 1948 and 1949, Giesey & Sauers the persons who filed the returns.

Mr. GIESEY. It is possible we prepared it. If our name is on it, I know we prepared it.

Mr. NELLIS. Well, who is he?

Mr. GIESEY. John Scalish? May I see what the tax return shows? I wouldn't remember.

Mr. NELLIS. Well, do you know A. Goltsman?

Mr. McMAHON. How do you spell that?

Mr. NELLIS. G-o-l-t-s-m-a-n.

Mr. GIESEY. I don't recall.

Mr. NELLIS. How about Rudy Kolod? You know Rudy, don't you?

Mr. GIESEY. I know Rudy Kolod; yes.

Mr. NELLIS. And George Gordon? You know George Gordon? Right?

Mr. GIESEY. That I do.

Mr. NELLIS. Weren't they the upper crust in the Pettibone Club?

Mr. McMAHON. I object to that. Let's have what "upper crust" is.

The CHAIRMAN. Well, who are these people?

The CHAIRMAN. Well, were they the managers? Did they own the Pettibone?

Mr. McMAHON. If you are a manager, are you upper crust?

Mr. GIESEY. Well, I think you will notice on those records I turned over to you, Mr. Nellis, of the social security tax returns for the Pettibone Catering Co., that Gordon, Kolod, and Goltsman show on there as partners.

The CHAIRMAN. Now, let me get who were the partners?

Mr. NELLIS. Goltsman, Kolod, and Gordon.

Mr. McMAHON. Do we have the actual income tax return available so it might refresh his recollection?

Mr. NELLIS. We have it in the file. I will be glad to give him copies from time to time.

Now, Mr. Gieseey, isn't it a fact that these people we are talking about now were the actual managers of the Pettibone Club? Surely you must have gotten to know that.

Mr. GIESEY. Yes, sir; they are the men that were at the club; yes, sir.

Mr. NELLIS. But they weren't the owners, were they?

Mr. GIESEY. That I have no knowledge of, whether they were the owners. The only information I have is what they told me, that they were the managers there, or the partners.

If I showed on any return that those three men were associated with that club, I got that information from them and them only. I had no personal knowledge of the fact.

Mr. NELLIS. There isn't any doubt in your mind that you filed returns for the Pettibone Club, is there?

Mr. GIESEY. I filed returns for the Pettibone Club. There is no doubt about that.

Mr. NELLIS. There is no doubt in your mind that in filing returns for the Pettibone Club you must have got to know a little bit about the operations of the club and how much it made?

Mr. GIESEY. Obviously, if I filed their returns, I would know how much it made because it would appear on the return.

Mr. NELLIS. During all these 3 years you have testified now you met these people, you don't remember too well how you met them except those you met through Kleinman, is that right? You got in pretty well with them?

Mr. McMAHON. Objection to that. What do you mean "you got in pretty well with them?" He did the tax returns.

The CHAIRMAN. Did they get to be well acquainted?

Mr. McMAHON. Very well. If it is that kind of a question, all right.

Mr. GIESEY. I know those men; yes.

Mr. NELLIS. And you associated with them outside of income return business, is that right?

Mr. GIESEY. I wouldn't say that I did. I absolutely did not associate with those men socially.

Mr. NELLIS. Did they call you at your home and you at theirs?

Mr. McMAHON. Senator, we are speaking of "they," and we have talked about probably 15 or 20 people. May we have a specific person named, and then find out what his acquaintance is with that particular person?

The CHAIRMAN. Did these various men who have been mentioned here call you at your home? Did you see them outside—

Mr. GIESEY. If any of those men called me at my home it would pertain to a matter of business and that is all.

Mr. NELLIS. And that includes long-distance calls you may have made to them?

Mr. GIESEY. That would include long-distance calls or any other calls; yes.

Mr. NELLIS. Do you know William Schwartz?

Mr. GIESEY. Yes, I do.

Mr. NELLIS. How did you meet William Schwartz?

Mr. GIESEY. I met Mr. Schwartz probably back in 193—.

Mr. NELLIS. Do you know James Patton?

Mr. GIESEY. I know James Patton.

Mr. NELLIS. Is he also known as "Shimmy" Patton?

Mr. GIESEY. He is the same party.

Mr. NELLIS. What is their business?

Mr. GIESEY. Schwartz and Patton were in a club in Chesapeake, Ohio.

Mr. NELLIS. What do you mean, a club? Wasn't it a gambling casino?

Mr. GIESEY. It was a gambling casino.

Mr. NELLIS. Known as the Chesapeake Catering Co.; is that correct?

Mr. GIESEY. That's right.

Mr. NELLIS. How did Mr. Schwartz happen to come to you in connection with that matter?

Mr. McMAHON. Did he come to him first?

Mr. NELLIS. I am asking the questions. You object and the chairman will rule.

Mr. GIESEY. Mr. Nellis, I don't recall the details of how these people came to me. I will admit I prepared their income-tax returns. Now, the detail leading up to that would be just one small incident in a year's work that I wouldn't have any occasion for remembering, and there is no significance that I could see to anything here as to when I met those men or anything else.

Mr. NELLIS. Would you allow the chairman to determine that?

Mr. GIESEY. That I will; sure.

Mr. NELLIS. I asked you whether you could tell us how you happened to meet William Schwartz, and you say you don't remember; is that right?

Mr. GIESEY. I probably met Mr. Schwartz through Shimmy Patton. I didn't know him before.

Mr. NELLIS. Did you know that Mr. Schwartz served time for a very serious offense?

Mr. GIESEY. That I did.

Mr. NELLIS. What was that offense, do you know?

Mr. GIESEY. He shot somebody over in back of the Hollenden Hotel.

Mr. NELLIS. And he was convicted of first-degree murder, wasn't he?

Mr. GIESEY. That I don't know.

Mr. NELLIS. No, he wasn't. He was convicted of manslaughter, I'm sorry, and he served a term after that, is that right?

Mr. GIESEY. That I don't know.

Mr. NELLIS. Did you ever discuss that with him?

Mr. GIESEY. No, sir. I don't discuss a matter of that type with any of those people. That is personal.

Mr. NELLIS. Do you know Sam Schraeder?

Mr. GIESEY. I know Sam Schraeder.

Mr. NELLIS. How well do you know him?

Mr. GIESEY. As a client.

Mr. NELLIS. Did you ever write him any letters or communicate with him?

Mr. GIESEY. Not to my knowledge.

Mr. NELLIS. Mr. Chairman, I desire to enter in evidence a letter from Mr. Giesey to Mr. Schraeder, and I would like to have him read the letter and the postscripts and explain that.

Mr. McMAHON. May the witness see it first?

Mr. NELLIS. Oh, sure.

Mr. McMAHON. It may refresh his recollection as to whether he communicated with him.

The CHAIRMAN. For identification the letter is dated April 19, 1949, Giesey & Sauers.

Mr. NELLIS. Is that your letterhead?

Mr. GIESEY. Yes, sir.

Mr. NELLIS. Is that your signature?

Mr. GIESEY. That is my signature; yes.

What explanation do you want of that other than it is self-explanatory, I would say, Mr. Nellis?

Mr. NELLIS. What does it say?

Mr. GIESEY. There is a payment coming up on social-security tax of \$106.75, and I sent a letter to Mr. Schraeder together with the forms to see that it got to the proper people to sign and pay the tax.

Mr. NELLIS. Where did you send the letter? To the place addressed?

Mr. GIESEY. Beverly Hills Club, Alexandria Pike, Newport, Ky.

Mr. NELLIS. Would you be surprised to learn that that letter was found behind lock and key at the Colony Club at Chesapeake, Ohio?

Mr. GIESEY. That I would have no knowledge of.

Mr. NELLIS. Would it surprise you to find that?

Mr. GIESEY. No, it wouldn't surprise me anything in that.

Mr. NELLIS. Just a moment. I would like you to read the letter. Now, read the postscripts and tell me whether it is in your handwriting—in your own handwriting?

Mr. GIESEY. It is in my own handwriting.

Mr. NELLIS. Read it.

Mr. GIESEY (reading):

Sam, am sending this to you to see that the right person gets it. Inasmuch as everything is presently closed at Chesapeake, C-h-e-s—

Mr. NELLIS. And signed?

Mr. GIESEY. A-l—Al.

The CHAIRMAN. Let the letter be made an exhibit to the testimony. Let's mark this "Exhibit No. 50." That will identify it.

(Letter identified as exhibit No. 50 appears in the appendix on p. 457.)

Mr. NELLIS. Will you give me an explanation of—I withdraw that. I will rephrase it this way: What did you mean, "Sam, am sending this to you to see that the right person gets it"?

Mr. GIESEY. By the "right person," the person that was in a position to sign it and pay it.

Mr. NELLIS. Who was the right person?

Mr. McMAHON. He obviously didn't know.

The CHAIRMAN. Let's see whether he knows.

Mr. GIESEY. What is the name of the company that is referred to?

Mr. NELLIS. Mr. Samuel Schraeder.

Mr. GIESEY. No. It refers to a company. Not Beverly Hills. Let me see the letter again.

Mr. NELLIS. Sure.

Mr. GIESEY. It refers to the Union Enterprise, so it pertained for Mr. Schraeder to get somebody that was connected with the Union Enterprise to pay \$106.75 social-security tax.

Mr. NELLIS. What has Mr. Schraeder got to do with the Union Enterprise? Is he in that?

Mr. GIESEY. I think Mr. Schraeder is in the Union Enterprise.

Mr. NELLIS. But you addressed it to Beverly Hills Country Club.

Mr. GIESEY. Because Mr. Schraeder was at Beverly Hills.

Mr. NELLIS. When?

Mr. GIESEY. Presumably at the time I sent it. I didn't know Mr. Schraeder's home address, so I sent it there.

Mr. NELLIS. Just one moment, please.

What was the last question?

(Question read.)

Mr. NELLIS. Where?

Mr. McMAHON. It is on the letter.

Mr. NELLIS. But you knew he was connected with Union Enterprise down in Chesapeake; is that right?

Mr. GIESEY. That's right.

Mr. NELLIS. What you were saying is that everything was closed down there?

Mr. GIESEY. And there was nobody there to address it to.

Mr. NELLIS. Why was it closed?

Mr. GIESEY. They went out of business.

Mr. NELLIS. How was it closed?

Mr. GIESEY. What is the date on the letter again?. I better keep that letter.

Mr. NELLIS. April 19, 1949.

Mr. GIESEY. How was it closed?

Mr. NELLIS. You said the place was closed.

Mr. GIESEY. That's right. There was nobody down there to send anything to, so I sent it to—

Mr. NELLIS. Why was it closed? Who closed it?

Mr. GIESEY. I wouldn't know who closed it.

Mr. NELLIS. You don't know anything about that?

Mr. GIESEY. All I know is what I read in the newspapers.

Mr. NELLIS. You know all about these fellows' tax returns, you know all about their business, but you don't know how it was closed; is that right?

Mr. GIESEY. Now, wait a minute. I have no personal knowledge other than what I read in the newspapers.

Mr. NELLIS. Tell me what you read.

Mr. GIESEY. After this press experience, I don't know whether I should believe what I read in the newspapers.

Mr. McMAHON. If he wants it, Mr. Giesey, tell him what you read in the newspapers.

Mr. GIESEY. That's right, I read in the newspaper where Mr. Rutkowski and Governor Lausche and certain other people raided a place in Chesapeake, Ohio, and closed it.

Mr. NELLIS. All right. Very good.

You would be surprised to—or, you said you would not be surprised to find that this was picked up in the Colony Club?

Mr. McMAHON. I object to the word "surprised," Senator. He keeps using that word, and after this thing I don't think anybody is going to be surprised about anything.

Mr. NELLIS. I agree with Mr. McMahon.

The CHAIRMAN. Mr. McMahon, I am sure——

Mr. McMAHON. Can he confine the questions to specific information?

The CHAIRMAN. We will get along all right, Mr. McMahon. I think the witness understands the question.

Mr. GIESEY. What was the last question again?

The CHAIRMAN. Would you be surprised to find that this was in the Colony Club?

Mr. GIESEY. I have already answered that.

Mr. McMAHON. We are not probing the man's mind as to whether or not he is surprised.

The CHAIRMAN. Mr. McMahon, if you have specific objections, why, make them to the chairman.

Mr. GIESEY. Senator, I think I have already stated that I wasn't surprised.

The CHAIRMAN. I think that is right. So let's go on.

Mr. NELLIS. Mr. Giesey, we have had your books and records and we have examined them, and you have been before the staff of the committee twice, and you have been before the chairman once. We have examined the information.

What would you estimate your net worth to be?

Mr. McMAHON. I object to the question, and I think that that is not a problem for this Commission or committee.

The CHAIRMAN. Let's defer the question for the time being until we see——

Mr. McMAHON. I will say this, Senator——

The CHAIRMAN. Mr. McMahon, we will defer the answer to the question for the time being until we see just what Mr. Giesey has been engaged in and what he does.

Mr. McMAHON. I think it would be probably better to find out what he has, what stocks he has, what bonds he owns.

The CHAIRMAN. Mr. McMahon, we grant more leeway than most congressional investigating committees, but I have already ruled with you for the time being, so you can be quiet.

Mr. McMAHON. Very well. I don't want to——

Mr. NELLIS. You own your own home, Mr. Giesey?

Mr. GIESEY. That's right.

Mr. NELLIS. When did you buy it?

Mr. GIESEY. 1940, I think.

Mr. NELLIS. How much did you pay for it?

Mr. GIESEY. \$13,000.

Mr. NELLIS. Do you own any other real estate?

Mr. GIESEY. I don't even own that. That is my wife's property.

Mr. NELLIS. That is your wife's property?

Mr. GIESEY. That's right.

Mr. NELLIS. Where did she get the money to buy it?

Mr. GIESEY. Unquestionably from myself or from what she would have herself.

Mr. NELLIS. Do you own any other property? Real property?

Mr. GIESEY. Any other real property that I own is what I gave you a record of yesterday.

Mr. NELLIS. You tell it, will you, please?

Mr. GIESEY. I own a lot on East One Hundred and Forty-second Street.

Mr. NELLIS. What is that worth?

Mr. GIESEY. That I got in 1937 or 1938. I think the lot is probably worth \$200.

Mr. NELLIS. Any other real estate?

Mr. GIESEY. A piece of property on Sloane Avenue that I got in 1921 that is probably worth \$6,000.

Mr. NELLIS. When did you acquire that?

Mr. GIESEY. 1921.

Mr. NELLIS. Any other real property?

Mr. GIESEY. I jointly own a piece of property in Wickliffe, Ohio, that is used for a house trailer sales business that cost \$3,000, and there is about a \$1,500 mortgage on it.

Mr. NELLIS. When was that?

Mr. GIESEY. 1948.

Mr. NELLIS. And that is all the real property you own, is that right?

Mr. GIESEY. That's right.

Mr. NELLIS. Do you own any automobile?

Mr. GIESEY. Yes.

Mr. NELLIS. What make?

Mr. GIESEY. Cadillac.

Mr. NELLIS. What year?

Mr. GIESEY. 19—my wife owns the Cadillac. I own a Mercury.

Mr. NELLIS. What year is the Cadillac?

Mr. GIESEY. 1951.

Mr. NELLIS. A brand new Cadillac?

Mr. GIESEY. We bought it used.

Mr. NELLIS. What kind of car do you own?

Mr. GIESEY. A Mercury.

Mr. NELLIS. What year?

Mr. GIESEY. 1951.

Mr. NELLIS. Do you own a television set?

Mr. GIESEY. Yes.

Mr. NELLIS. What size screen is it?

Mr. McMAHON. How is that pertinent?

Mr. GIESEY. It is a Dumont with a magnifier in front of it which is as good as any set you can get in the last couple of years. I have had it since 1948. It is a very good set.

Mr. NELLIS. You testified this morning about the stocks held by you in United Aircraft.

Mr. GIESEY. Yes.

Mr. NELLIS. And you corrected the record to what figure?

Mr. GIESEY. The United Aircraft—the Cleveland Press states—

Mr. NELLIS. I don't mean that. You corrected the record; you said the accurate figure is—

Mr. McMAHON. He corrected the Cleveland Press. The record stands as it is.

Mr. GIESEY. The record is correct. It is the Cleveland Press that is wrong.

Mr. NELLIS. What is the figure?

Mr. GIESEY. What figure are you getting at?

The CHAIRMAN. What is the value of the stock?

Mr. GIESEY. The value of the stock is 6 $\frac{3}{8}$ %.

Mr. NELLIS. No. The total value of the stock; \$30,000?

Mr. GIESEY. I would say approximately \$30,000. If you had to sell all of that you would probably get 5 $\frac{1}{2}$ for it.

Mr. NELLIS. Mr. Chairman, I want to get in the question which Mr. McMahon objected to. I would like to know from the witness about what he estimates his net worth to be at this time.

Mr. GIESEY. You have all my personal records. You can probably add it.

The CHAIRMAN. Approximately what do you estimate your net worth to be?

Mr. McMAHON. I object to the question.

The CHAIRMAN. I don't think the witness objects to answering, approximately.

Mr. McMAHON. I would say this: From the stocks that he owns he would have to make a calculation of what they would be worth if he sold them today or the next day, or——

The CHAIRMAN. He can give us an idea, Mr. McMahon.

Mr. McMAHON. Can you give them an idea?

Mr. GIESEY. I can give an approximate figure of 50 or 60 thousand dollars.

Mr. NELLIS. That is the approximate figure, is that right?

Mr. GIESEY. That is an approximate figure.

Mr. NELLIS. Did you accumulate that from your practice as an accountant?

Mr. GIESEY. No place else in the world where I have ever got it. I have never been in any gambling enterprise. I have never been in anything connected with slot machines.

Mr. NELLIS. You are sure about that, that you have never been in any gambling enterprise?

Mr. GIESEY. The only rackets I have ever been in are the two World Wars, and the war criminals are working on me for a third.

Mr. NELLIS. Aren't you the secretary of the following corporations: Country Club Enterprise, which runs a gambling casino——

Mr. GIESEY. I am not.

Mr. NELLIS. Let me finish.

Mr. GIESEY. I am not.

Mr. NELLIS. Kentucky Corp., Beverly Hills, Inc., which operates the night club entertainment, the dining room, the liquor business?

Mr. GIESEY. I am secretary of a restaurant operation known as Beverly Hills Country Club.

Mr. NELLIS. A restaurant operation?

Mr. GIESEY. A restaurant and restaurant only.

Mr. NELLIS. O. K.

Are you secretary of another corporation entitled Boulevard Enterprises, Inc., which holds real estate?

Mr. GIESEY. That is a real estate holding company. It is not a gambling business. I have no financial interest in that company.

Mr. NELLIS. But you are secretary to both corporations?

Mr. GIESEY. I am secretary of both of those corporations.

Mr. NELLIS. How did you become secretary of both of those corporations?

Mr. GIESEY. That is an expeditious matter pertaining to signing tax returns and papers that come up from time to time in handling corporations. That is the only reason.

Mr. NELLIS. The boys had a good man around and they made you secretary, is that right?

Mr. GIESEY. It is presumed they must have had some confidence in me to do it.

Mr. NELLIS. I should say.

Let's go to Country Club Enterprise which is known as the Beverly Hills Country Club, is that right? That is known as the Beverly Hills Country Club?

Mr. GIESEY. As far as the newspapers; yes.

Mr. NELLIS. As far as you know, not what the newspapers know. Is it known as the Beverly Hills Country Club?

Mr. GIESEY. To me it is the Country Club Enterprise.

Mr. NELLIS. You never heard of it as Beverly Hills, is that right?

Mr. GIESEY. The whole organization is known as Beverly Hills.

Mr. NELLIS. Beverly Hills Country Club?

Mr. GIESEY. Beverly Hills Country Club.

Mr. NELLIS. Don't fence with me.

Mr. GIESEY. I'm not fencing with you, Mr. Nellis. If I talked to anybody, I wouldn't say Beverly Hills Country Club. We would say——

The CHAIRMAN. I think there is no doubt but what the Country Club Enterprise is Beverly Hills.

Mr. GIESEY. The Country Enterprise is a casino operation at Beverly Hills and nothing else.

Mr. NELLIS. Let me read you the names of the partners in this and you tell me if you know that the following people are the partners in that enterprise.

Mr. McMAHON. Are you asking for his specific knowledge or what he knows from the newspapers or any other common knowledge?

The CHAIRMAN. What we want to know is what he knows about it. He apparently is the secretary of the corporation.

Mr. McMAHON. I understand he is a secretary of a corporation that holds part of the land. Now, are you talking about a gambling casino?

The CHAIRMAN. Mr. McMahon, let's see if he knows who the partners are.

Mr. GIESEY. He is talking about partners. With a corporation you don't have partners. You have stockholders.

The CHAIRMAN. Anyway, the managers, whatever you have.

Mr. GIESEY. O. K. You read the names.

Mr. NELLIS. Did your firm prepare returns for—I will be very specific—Country Club Enterprise, Beverly Hills Country Club, either one of those, Alexandria Pipe, route 27, Newport, Ky.?

Mr. GIESEY. We did.

Mr. NELLIS. From 1944 through 1949?

Mr. GIESEY. That's right.

Mr. NELLIS. Are the following people partners in that enterprise: Samuel Tucker?

Mr. GIESEY. He is a partner in the Country Club Enterprise.

Mr. NELLIS. M. W. Dalitz?

Mr. GIESEY. He is a partner there from information furnished me by those people. I have no personal knowledge as to whether they are partners, but from the information furnished me I included that on the tax return as partners.

Mr. NELLIS. Louis Rothkopf?

Mr. GIESEY. He is another one with the same qualification.

Mr. NELLIS. Morris Kleinman?

Mr. GIESEY. Correct.

Mr. NELLIS. Al Polizzi?

Mr. GIESEY. That's right.

Mr. NELLIS. Thomas J. McGinty?

Mr. GIESEY. That's right.

Mr. NELLIS. John Croft?

Mr. GIESEY. That's right.

Mr. NELLIS. Harry Potter?

Mr. GIESEY. Right.

Mr. NELLIS. Mitchell Myer?

Mr. GIESEY. Right.

Mr. NELLIS. Samuel Schraeder?

Mr. GIESEY. That's right.

Mr. NELLIS. Marion Brink?

Mr. GIESEY. That's right.

Mr. NELLIS. Jimmy Brink? Jimmy Brink also?

Mr. GIESEY. No; Marion Brink.

Mr. NELLIS. Didn't Mr. Brink receive an income in 1946 which you reported for this enterprise?

Mr. GIESEY. No, sir. In 1946? No, sir. If the record shows it, he did. I don't recall; maybe he did.

Mr. NELLIS. The record shows it.

Mr. GIESEY. If the record shows it, then I would say he did.

Mr. NELLIS. I will be glad to refresh your recollection.

The CHAIRMAN. Let him see it.

Mr. GIESEY. If the record shows it——

Mr. McMAHON. What is this we are referring to?

Mr. NELLIS. Those are committee records.

Mr. McMAHON. Mr. Nellis, are these taken from income-tax returns?

Mr. NELLIS. They are, indeed. I circled the name, Mr. Giesey.

Mr. GIESEY. Well, I wouldn't say that Jimmy Brink received anything in 1946 from Beverly Hills. I don't think he did.

Mr. NELLIS. What about from Country Club Enterprise?

Mr. GIESEY. I don't think he did.

Mr. NELLIS. All right. Does that show he did?

Mr. GIESEY. No, sir. This does not show that he did.

Mr. McMAHON. His name appears on here, Mr. Giesey, Jimmy Brink. Is that whom we are discussing?

Mr. NELLIS. Yes.

Mr. McMAHON. It shows Jimmy Brink and a figure. Now, do you have any recollection as to preparing——

Mr. GIESEY. No.

Mr. NELLIS. You have no recollection?

Mr. GIESEY. No, sir. I don't think he did.

The CHAIRMAN. Let's read the names again here. Let Mr.——

Mr. GIESEY. I can expedite this.

The CHAIRMAN. Yes. Why don't you tell us who they are and the stockholders or the partners or the managers of this—

Mr. GIESEY. We are talking about Country Club Enterprise.

Mr. McMAHON. This is from the information that has been furnished to you and recorded on specific income-tax returns filed with the Government?

Mr. NELLIS. This is information officially on file with this committee.

Mr. GIESEY. That is a schedule from 1944, '45, '46, '47, '48, and '49 showing the gross receipts, net income, salaries, and expenses.

Mr. NELLIS. I don't want that.

The CHAIRMAN. Just tell us from your own knowledge whatever you want—

Mr. McMAHON. Your question is, Do you know who is interested in this enterprise from what appears on this, as far as it refreshes his recollection? Is that the question?

Mr. NELLIS. Yes.

The CHAIRMAN. From his memory about it; and, if he has to refresh his recollection, all right.

Mr. GIESEY. It says here partners' shares of above income as profit. I don't know where that came from. Mr. Tucker was a partner in the Country Club Enterprise, to my knowledge, based on information furnished me. I have no personal knowledge of this other than what they have told me.

Mr. NELLIS. The same is true as to the others on the list?

Mr. GIESEY. Dalitz, Rothkopf, Kleinman, Polizzi, McGinty, Croft, Potter, Myer, Schraeder, and Brink, but I don't think Jimmy Brink had anything to do with the Country Club Enterprise.

Mr. NELLIS. All right, all right. Now, you filed these returns from 1944 through 1949; is that right?

Mr. GIESEY. Our office filed them; yes, sir.

Mr. NELLIS. Giesey & Sauers.

Mr. GIESEY. Yes, sir. I was in the Army part of that time.

Mr. NELLIS. What information did they supply you on which you reported for them gross receipts for the Beverly Hills Country Club in 1949 of \$528,654?

Mr. McMAHON. Now, Senator, I would like, with your indulgence, to enter a specific objection on this, and I would like to tell you why I do this.

The CHAIRMAN. All right, Mr. McMahon.

Mr. McMAHON. I understand that in Senate Resolution 202 which formed your committee on or about June 17, 1950, Mr. Truman, as President of the United States, issued a proclamation, No. 10132, in which it was provided in essence that the various tax returns which might be filed by any person would be opened to the inspection of the committee.

In accordance with a Treasury decision entered that date, and the Treasury decision said this, in effect: Any information thus obtained by the committee or subcommittee shall be held confidential; provided, however, that any portion or portions that are relevant or pertinent to the purpose of the investigation may be submitted by the committee to the United States Senate.

Now, as I understand it, if we are going into specific questions concerning what are in various income-tax returns which were prepared

by this man, then I ask that this room be cleared and that everything that is developed on that be held confidential with your committee and with the United States Senate.

Mr. HALLEY. Mr. McMahon, we have all naturally studied the Treasury decisions very carefully.

Mr. McMAHON. I want my objection in there.

Mr. HALLEY. The Treasury decision does not say it must be submitted secretly.

Mr. McMAHON. It says "confidential"; and confidential, in the Army, has a very definite classification.

Mr. HALLEY. Not to the United States Senate, and the Senate and Treasury are no part of the Army.

Mr. McMAHON. The Army is part of the Government that I am familiar with.

Mr. HALLEY. You are getting far afield; you are not talking like a lawyer. Let's leave the Army out of it.

Mr. McMAHON. Let's talk about "confidential"; what does it mean to you?

Mr. HALLEY. The decision says it shall be submitted to the Senate. This committee can submit it to the Senate in any form it so desires, publicly or privately, and in the course of so doing it is necessary to hold certain official hearings, and that is what the committee is doing.

Mr. McMAHON. Well, I am making this specific objection on the record, and to the Senator himself; and I am relying on the Treasury decision, which says any information thus obtained through questioning by this committee shall be held confidential.

Now, we know what the meaning of the word "confidential" is.

The CHAIRMAN. Well, Mr. McMahon, any information we want to secure goes to the United States Senate. We are not making part of the record any income-tax returns.

But this man prepared them. We want to ask him what he prepared, and if he wants to refresh his memory from—

Mr. McMAHON. That is perfectly all right, but as to what is in the income-tax returns itself—

The CHAIRMAN. If he refreshes his memory by it, his testimony will be received. Of course, the information we have is in returns which he has filed with the committee himself, the copies, I believe.

Mr. NELLIS. That is right.

Mr. GIESEY. Well, it is assumed, then, that section 55 of the Internal Revenue Code that provides for penalties for disclosing information, that pertains to Federal employees and other persons, states:

And it shall be unlawful for any person to print or publish in any manner whatever, not provided by law, any income return or any part or parts of income, profits, losses, or expenditures appearing in any income return, and any offense against the foregoing provisions shall be a misdemeanor and shall be punished by a fine not exceeding \$1,000, by imprisonment not exceeding 1 year, or both, at the discretion of the court, and if the offender be an officer employed by the United States, he shall be dismissed—

and so forth.

The CHAIRMAN. Yes, sir.

Mr. GIESEY. Now, I am assuming—I have kept out of jail so far, but I wouldn't want to get in jail by violating any provisions right now, unless I am assured of some immunity therefrom.

The CHAIRMAN. Well, of course, the other section of the statute provides nothing you have said here can be used in any case involving any matter directly relating to your testimony. That is a part of the statute.

Mr. GIESEY. But here it says, "shall be unlawful" for me to do this. I just want clarification. It doesn't mean anything to me.

Mr. HALLEY. The statute says the President, by Executive order, may waive those penalty provisions in certain cases. We have here an Executive order, and pursuant to the Executive order the committee is preparing material for its report to the Senate, and the committee has so ruled before. I believe the committee's ruling has been justified on a number of occasions.

This has been our practice, after debate with counsel all over the country, that we have proceeded on this basis, because it is perfectly obvious that, in order to report these things to the Senate, the committee must make a record and make its report to the Senate on the record.

Mr. McMAHON. I am agreeing with you, Mr. Halley, but what I am relying upon is the statute which says it must be confidential. How can it be confidential with all of these people in here?

Mr. HALLEY. The Senate sessions are not secret. The Congressional Record is a public document, and this is a part of the record that goes to the Senate.

Mr. McMAHON. Well, I enter my objection. Do what you like with it, Senator.

The CHAIRMAN. Your objection is noted here. Let's proceed.

Mr. NELLIS. All right. Mr. Giesey, what information did these partners furnish you or supply you on which you reported gross receipts of \$528,654 in 1949 for this club?

Mr. McMAHON. Refer to the records if you don't know that.

The CHAIRMAN. Did they give you books or—

Mr. GIESEY. Don't tie me down to any specific figure. All I know is what you have on there.

Mr. NELLIS. Now what information did they give you?

Mr. GIESEY. They furnished me information showing their daily receipts and their disbursements for all their expenses, which would be supported by vouchers, and those daily receipts were compiled on a yearly basis and included on their income-tax return.

Mr. NELLIS. And they gave the receipts from such games as bingo, money wheels, chuck, blackjack, crap, and so forth?

Mr. GIESEY. I think the detail of that shows on there.

Mr. NELLIS. They gave you that, didn't they?

Mr. GIESEY. That was furnished me for the basis of their tax returns.

Mr. NELLIS. Slot machines?

Mr. GIESEY. I think that may have shown on there if they had slot machines.

Mr. NELLIS. And what is this little item "Receipts, net, others"? Do you remember that?

Mr. GIESEY. May I see how much it is or what is the breakdown?

You mean "Expenses, other"? Well, if you got this from the income-tax return, Mr. Nellis, you will find every one of those items itemized on those income-tax returns.

Mr. NELLIS. Well, I am asking you.

Mr. GIESEY. I don't remember. The only classifications you have are "Payroll" and "Rent." Now they might have heat, light, power.

Mr. NELLIS. Allow me to come over here, Mr. Giesey.

Mr. GIESEY. Yes; get on our side for a minute.

Mr. NELLIS. Here we have an item, "Receipts, net, tax and others."

In 1946 it was \$175,000 plus; in 1947, \$149,000 plus; and in 1948, \$244,000 plus. Do you recall the details of that?

Mr. GIESEY. I don't recall how the "others" got on there. I don't remember that; but, if it is, maybe it is some other game that they have been operating down there. I wouldn't have any personal knowledge of it. That is, the sheet shows the craps and others as income.

Mr. McMAHON. Do you have the income-tax returns here in files where we can refer to them and perhaps even answer your question?

You have a sheet apparently compiled by this committee.

Mr. GIESEY. How did these people get together in this operation? Do you know?

Mr. GIESEY. No, sir; I have no knowledge of that.

Mr. NELLIS. You are sure?

Mr. GIESEY. How they got together?

Mr. NELLIS. Yes.

Mr. GIESEY. In what operation? Beverly Hills?

Mr. NELLIS. In this Beverly Hills operation.

Now, you know yourself—

Mr. McMAHON. Let him answer the question.

Mr. NELLIS. Just a moment. You have testified that these men from Cleveland and this vicinity are in this club; isn't that right?

Mr. GIESEY. That is right.

Mr. NELLIS. Now, how did they get together and get down to Beverly Hills? Do you know?

Mr. GIESEY. That I wouldn't have any personal knowledge of.

Mr. NELLIS. Who is Samuel Schraeder?

Mr. GIESEY. He is a man from Cincinnati.

Mr. NELLIS. He has testified you know him.

Mr. GIESEY. I know Sam Schraeder.

Mr. NELLIS. You wrote him a letter in which you called him "Dear Sam."

Mr. GIESEY. That is right.

Mr. NELLIS. You know him well?

Mr. GIESEY. I know him well enough to call him Sam.

Mr. NELLIS. You must know him pretty well. He calls you Al.

Mr. GIESEY. That is right.

Mr. NELLIS. He is from Cincinnati.

Mr. GIESEY. That is right.

Mr. NELLIS. How far is that from Newport?

Mr. GIESEY. Right across the river.

Mr. NELLIS. Did you ever attend a conference between Sam Schraeder, Dalitz, Rothkopf, or Kleinman?

Mr. GIESEY. I probably did.

Mr. NELLIS. Did you ever attend a conference at which the affairs of this club were discussed?

Mr. GIESEY. If I ever attended any conferences on the affairs of this club, it pertained to the matters concerning their income tax. I certainly wouldn't have any conference with them pertaining to any operations of this business, because I know nothing about them.

Mr. NELLIS. Well, there must have been a conference at which you were elected secretary of the Boulevard Enterprises, Inc., and Country Club Enterprises; is that right? They didn't just call you up and say, "You are the secretary"?

Mr. GIESEY. Well, at one of the meetings in Cincinnati they must have said, "To expedite this situation, you can be secretary of the corporation."

Mr. NELLIS. Did you ever hear of the Lookout Club?

Mr. GIESEY. Yes; I did.

Mr. NELLIS. Where is that?

Mr. HALLEY. Pardon me, before you leave the Beverly Hills, may I ask a question?

Mr. NELLIS. Yes.

Mr. HALLEY. Were you ever at the Beverly Hills Club?

Mr. GIESEY. Yes; I have been.

Mr. HALLEY. Where is it located? Right across the river from Cincinnati?

Mr. GIESEY. It is located right across the river from Cincinnati, on Alexandria Pike, on top of the hill.

Mr. HALLEY. Will you describe it? Does it stand in a building by itself?

Mr. GIESEY. There is one large——

Mr. McMAHON. Does he have a definite recollection? I am sure it has been described before, has it not?

Mr. HALLEY. I don't think so. Let him describe it.

Mr. McMAHON. All right.

Mr. GIESEY. What do you mean by "description"? It is a large building on top of a hill, that has a big night club and stage downstairs, and a bar, and they serve very good food and put on good shows.

Mr. HALLEY. You are not through describing it?

Mr. GIESEY. And then upstairs, in the same building, is the casino, where they perform these other operations.

Mr. HALLEY. I think we all know it is a gambling place. There is no point in being squeamish.

Upstairs what do they have? Is it a single, large room?

Mr. GIESEY. That is right.

Mr. HALLEY. And what do they have? Some dice tables?

Mr. GIESEY. They have dice tables, and according to that, they must have a chuck-a-luck, roulette table——

Mr. HALLEY. Well, you have been in there, haven't you?

Mr. GIESEY. I have been in it; yes.

Mr. McMAHON. Are we referring to any particular time? Let's find out when he was in it.

Mr. HALLEY. You ask your questions later; I will ask mine now.

Mr. McMAHON. Will I have an opportunity to ask them later?

Mr. HALLEY. Sure, you will.

Mr. GIESEY. They have a roulette table and crap tables; there is no secret about that.

Mr. HALLEY. Do they have a horse board?

Mr. GIESEY. I don't think they do, no. I think they are only open at night; I don't think they have horses.

Mr. HALLEY. Now, you mentioned that you are secretary of the Country Club Enterprises. Does that run the restaurant phase?

Mr. GIESEY. I have never made such a statement, Mr. Halley.

Mr. HALLEY. I thought you said you were secretary of some corporation connected with it?

Mr. GIESEY. Some corporation, but it wasn't the Country Club Enterprises.

Mr. HALLEY. Now, what corporation are you secretary of?

Mr. GIESEY. Beverly Hills, Inc.

Mr. HALLEY. Beverly Hills, Inc.?

Mr. GIESEY. That is right.

Mr. HALLEY. And what does that corporation hold?

Mr. GIESEY. That corporation operates the restaurant, and the restaurant and bar only.

Mr. HALLEY. And are there any other corporations connected with the entire enterprise?

Mr. GIESEY. That is right. There is an organization called Boulevard Enterprises, that owns the land.

Mr. HALLEY. And are you connected with that?

Mr. GIESEY. I am secretary of that.

Mr. HALLEY. Now, I presume that the entire enterprise pays rent to the part that owns the land; is that right?

Mr. GIESEY. That is right; yes.

Mr. HALLEY. And the restaurant operates, then, in a separate corporation, of which you are secretary?

Mr. GIESEY. That is right.

Mr. HALLEY. Now, how is the gambling part set up?

Mr. GIESEY. The gambling part is set up as an entirely separate business; they have their own separate books and records.

Mr. HALLEY. Is that a corporation?

Mr. GIESEY. No, sir.

Mr. HALLEY. A partnership?

Mr. GIESEY. It is a partnership, and I have already told you who the partners were.

Mr. HALLEY. Then they are partners, and not stockholders in a corporation?

Mr. GIESEY. They are partners, and the tax return that was filed shows it was a partnership.

Mr. HALLEY. Now, does the gambling partnership pay rent to the real estate corporation?

Mr. GIESEY. I presume—yes, that is right.

Mr. HALLEY. And it is operated entirely separately and apart from the restaurant?

Mr. GIESEY. That is right. There are three separate operations.

Mr. HALLEY. When was this Beverly Hills Club opened?

Mr. GIESEY. I would say it was probably 1941.

Mr. HALLEY. And when did you first represent it or——

Mr. GIESEY. In 1941.

Mr. HALLEY. Were the partners in the gambling enterprise in 1941 the same as they are today?

Mr. McMAHON. If you recall, would the income-tax returns show?

The CHAIRMAN. Well, let him answer. Let him state if he knows.

Mr. GIESEY. I wouldn't know for sure.

Mr. HALLEY. What is your best recollection? Have there been changes in the partners?

Mr. GIESEY. May I see that list, to see if there are any names, in there in the beginning?

I'd say the only change that I can recall in there would be in connection with Jimmy and Marion Brink.

Mr. HALLEY. And what is that?

Mr. GIESEY. Jimmy Brink was originally in there, I think, from 1942 or 1943, and some place around '44 or '45, his interest was transferred to M. B. Brink.

Mr. HALLEY. Who originally asked you to serve as accountant for this enterprise?

Mr. GIESEY. Well, I would assume that it is Kleinman, Dalitz, or Tucker.

Mr. HALLEY. And were you present at the organization meetings at which the club was set up?

Mr. GIESEY. I don't recall being there in the beginning. I was probably there after they had all got together on what they wanted to do.

Mr. HALLEY. Where were the meetings held? Here in Cleveland?

Mr. GIESEY. No; it was held down in Beverly Hills.

Mr. HALLEY. In Kentucky?

Mr. GIESEY. In Kentucky; yes, sir.

Mr. HALLEY. And where were you first approached about it?

Mr. GIESEY. I was probably asked to come down there and talk about it.

Mr. HALLEY. Who suggested having a separate real-estate corporation and a separate restaurant corporation?

Mr. GIESEY. They had an attorney at that time who handled those affairs. He formed the corporations and he handled it.

Mr. HALLEY. What was his name?

Mr. GIESEY. It seems to me it was a man by the name of Lester.

Mr. HALLEY. Lester?

Mr. GIESEY. Lester.

Mr. HALLEY. What is his full name?

Mr. GIESEY. I'm thinking of Gary Lester. But I don't think it is Gary Lester. I can't recall his first name.

Mr. HALLEY. Now, the gambling operation in Kentucky is strictly illegal, isn't it?

Mr. McMAHON. You are asking for his interpretation?

Mr. GIESEY. I wouldn't know anything about the Kentucky laws, but I would assume from what I read in the newspapers it is very illegal.

Mr. HALLEY. Was there any discussion of how they would operate illegally?

Mr. GIESEY. No, sir; I had nothing whatsoever to do with that operation.

Mr. HALLEY. You have said, I think, that the night club and restaurant part of that operation is a very beautiful and elaborate set-up; am I correct?

Mr. GIESEY. I think it is advertised as the show place of the Middle West, and I think it is.

Mr. HALLEY. And it must have cost a lot of money to put together.

Mr. GIESEY. No. Well, it all depends on what you call a lot of money.

Mr. HALLEY. What is the physical investment or the physical assets of Beverly Hills?

Mr. GIESEY. Well, if I tax my memory right, I think they paid originally \$125,000 for that property from Pete or Agnes Schmidt.

Mr. HALLEY. Was the restaurant building there?

Mr. GIESEY. That is for the whole thing. That included all of the land and it included a residence that is separate from this property.

Mr. HALLEY. Did they decorate it and renovate it for certain additional sums?

Mr. GIESEY. Well, they probably made additions from time to time.

Mr. HALLEY. Well, they had to redecorate their dining room.

Mr. GIESEY. No, it was already decorated; it was already built.

Mr. HALLEY. You mean there was already a restaurant there?

Mr. GIESEY. Oh, yes. That was already in operation when they went and took it over.

Mr. HALLEY. Before they invested \$125,000 was some check made to see if they would be permitted to operate illegally?

Mr. GIESEY. That I wouldn't have any knowledge but I would assume before they would lay out that kind of money, they would have some ideas on that.

Mr. HALLEY. In all of your discussions with these people did you ever find out what their ideas were?

Mr. GIESEY. No, sir.

Mr. HALLEY. How they could operate?

Mr. GIESEY. That isn't anything that would concern me whatsoever. That would be a matter amongst themselves. I was engaged for one purpose, to take and prepare their income-tax returns set up such records as would be necessary in connection with that. That is all I did, nothing more.

Mr. HALLEY. Were you at all concerned about the possibility that you might be found to be aiding and abetting an illegal enterprise?

Mr. GIESEY. No, sir. I wasn't engaged in the gambling end or operating a restaurant.

Mr. HALLEY. You were doing the accounting for the gambling end?

Mr. GIESEY. That is right.

Mr. HALLEY. You certainly would be aiding and abetting it.

Mr. GIESEY. Well, that's a legal question that I admit I hadn't thought of.

Mr. HALLEY. Didn't it ever occur to you that you were to check on whether or not you were apt to be prosecuted by the State of Kentucky?

Mr. GIESEY. No, sir; I never checked on it.

Mr. HALLEY. You mean to say that, all of your years of experience in the Bureau of Internal Revenue, you didn't even think for a moment about whether or not you were apt to be prosecuted for your participation in this enterprise?

Mr. GIESEY. Well, I tell you, Mr. Halley, if I thought about it, the only crime that I was performing, as far as this operation is concerned, would be making out an income-tax return. If I was going to be prosecuted for that, the mere fact that a man is in an illegal business and I make out his income-tax return, I don't think I can be prosecuted for that illegal business. It is too fundamental. I am not a lawyer, but I would assume that is fundamental enough. I wouldn't even have to think twice about that.

Mr. HALLEY. What did you do to help them make out their income-tax returns?

Mr. GIESEY. They furnished me the sheets showing what their income and expenses were.

Mr. HALLEY. Did they furnish you sheets daily or weekly or annually?

Mr. GIESEY. They compiled them by the month, and they may send them in every 3 months or 4 months, or they may send them in at the end of the year.

Mr. HALLEY. On the basis of these sheets you would——

Mr. GIESEY. Compile——

Mr. HALLEY. Make an annual balance sheet?

Mr. GIESEY. Compile a summary of all of their operations and all of those summaries and sheets, and so forth. I referred to the Internal Revenue Bureau for checking their income-tax returns, and I checked them, as I said, through the year 1948.

Mr. HALLEY. Is the Beverly Hills Club still operating?

Mr. GIESEY. I wouldn't know.

Mr. HALLEY. When did you get the last sheet in?

Mr. GIESEY. We haven't had any sheets from them for 3 or 4 months.

Mr. HALLEY. Did you bring any sheets with you?

Mr. GIESEY. No, sir.

Mr. HALLEY. For the club?

Mr. GIESEY. I didn't have any.

Mr. HALLEY. What did you do with the sheets?

Mr. GIESEY. They all go back to the people involved. We don't keep them in our office.

Mr. HALLEY. Have you filed the final income-tax return for the Beverly Hills Club for the year 1950?

Mr. GIESEY. No, sir; we have not.

Mr. HALLEY. And you returned these sheets even before you filed the income-tax return?

Mr. GIESEY. The income-tax return is due in March.

Mr. HALLEY. Yes.

Mr. GIESEY. And if we have the sheets in March, we will file it; if we don't, we won't file it.

Mr. HALLEY. You say you get them every 3 or 4 months. You must have some sheets you received for 1950.

Mr. GIESEY. We don't have any. They were given back to the partners.

Mr. HALLEY. I thought the only purpose in getting them was to help you file an income-tax return. Why do you return these sheets before you make out the return? It doesn't make any sense, does it?

Mr. GIESEY. Well, what you are trying to get at, they wanted those sheets back and we gave them back to them.

Mr. HALLEY. When did they want them back?

Mr. GIESEY. Oh, a matter of 3 or 4 months ago.

Mr. HALLEY. Who asked you for the sheets?

Mr. GIESEY. I think it was Mr. Rothkopf.

Mr. HALLEY. Who did you give them to?

Mr. GIESEY. Mr. Rothkopf.

Mr. HALLEY. How many sheets did you have at that time in your possession?

Mr. GIESEY. We probably had them down to September or October.

Mr. HALLEY. Of 1950?

Mr. GIESEY. 1950.

Mr. HALLEY. How many sheets did you have for the years prior to 1950?

Mr. GIESEY. None. We give those back when the Government gets through checking them or when the Government wants to check them. If they have them, we get them from them and turn them over to the Government and then they go back to them.

Mr. HALLEY. You say they have only been audited through 1948. Where are the sheets for 1949?

Mr. GIESEY. I presume Mr. Rothkopf has them.

Mr. HALLEY. You must know. Did he ask for them, too?

Mr. GIESEY. Did who?

Mr. HALLEY. Rothkopf.

Mr. GIESEY. I gave him everything I had. Now, as far as 1949 is concerned, I think the Government probably has those right now, checking their 1949 returns.

Mr. HALLEY. Are you sure of that?

Mr. GIESEY. I think that is a fact now that you mention it.

Mr. HALLEY. Who has them? Who did you turn them over to and when?

Mr. GIESEY. Mr. Potter.

Mr. HALLEY. Wasn't it unusual for the people operating these games to want their sheets back in the middle of the year before you filed the return?

Mr. GIESEY. I would say it would be unusual; yes.

Mr. HALLEY. Was it due to the fact that they heard they would be subpoenaed?

Mr. GIESEY. You are 100 percent right. I would say that's why they want them back. They wanted them in their possession and not mine.

Mr. HALLEY. What do the sheets show, the summary sheets?

Mr. GIESEY. Well, Mr. Nellis just gave me a pretty good idea of what is on each one of those sheets. He has the breakdown of it.

Mr. HALLEY. Well, just describe the sheet. Is it a single sheet of paper.

Mr. GIESEY. It is a single sheet of paper.

Mr. HALLEY. And it would have what? Gross income from a number of different—

Mr. GIESEY. That is right, gross income from the number; then they list the expenses.

Mr. HALLEY. Would they list them in any greater detail than "Pay-roll," "Rent," "Other"?

Mr. GIESEY. They would list each item exactly what it was for.

Mr. HALLEY. On gross receipts, would you have any way of checking the accuracy of the figures you got?

Mr. GIESEY. No.

Mr. HALLEY. Did you ever go down there as an accountant and try to make a test check of any of these sheets?

Mr. GIESEY. No, sir; we did not.

Mr. HALLEY. It is a cash business; isn't it?

Mr. GIESEY. It is a cash business; that is right.

Mr. HALLEY. Somebody has got to count that cash?

Mr. GIESEY. They have their own partners there to count that cash.

Mr. HALLEY. And you, as the accountant, filed the returns and haven't the faintest idea of whether you were getting a straight count or a bad count?

Mr. GIESEY. That is right. That is true of anybody. When we file an income-tax return, we take their word from the figures they give us.

Mr. HALLEY. Did you have any system so that there would be any way of checking whether they gave you the right figures?

Mr. GIESEY. No, sir.

Mr. HALLEY. Was there a daily report kept?

Mr. GIESEY. There is a daily report kept.

Mr. HALLEY. Did you ever see the daily report?

Mr. GIESEY. Well, that's what they send, the daily reports and they compile them.

Mr. HALLEY. I thought you said they send you a report every 3 or 4 months.

Mr. GIESEY. But it is made up of each daily report.

Mr. HALLEY. Did they send you the daily report?

Mr. GIESEY. Not each day.

Mr. HALLEY. They just sent you their edition of daily reports?

Mr. GIESEY. What we would get would be a little book with 30 sheets in it for a month or 31, whichever the number of days.

Mr. HALLEY. That is the point. Then you would get these daily reports?

Mr. GIESEY. Oh, yes.

Mr. HALLEY. And you would add them?

Mr. GIESEY. That is right.

Mr. HALLEY. Did you ever go back there to the club and try to see the system they had set up to make sure the daily report was an honest one?

Mr. GIESEY. The sheet that they sent in was their regular—their receipts and disbursements for that day. That is their original record.

Mr. HALLEY. Who would check their receipts for that day? How would that be done?

Mr. GIESEY. I imagine that's a matter between the partners to see that they get a fair count. That isn't anything that I would have any knowledge of.

Mr. HALLEY. In other words, you would have no way of knowing whether these partners, in counting out the money, would count \$1 for themselves and one for Uncle Sam?

Mr. GIESEY. That, I wouldn't have any knowledge of.

Mr. HALLEY. You would have no way of controlling it?

Mr. GIESEY. No, sir; I would not, and I don't think anybody else would.

Mr. HALLEY. Thank you.

Mr. NELLIS. Mr. Giesey, you have heard of the Lookout Club?

Mr. GIESEY. Yes, sir.

Mr. NELLIS. It is located at 1741 Dixie Highway?

Mr. GIESEY. It is located on the Dixie Highway; I don't know the number.

Mr. NELLIS. Covington, Ky.?

Mr. GIESEY. It is out of Covington.

Mr. NELLIS. Out of Covington.

Mr. GIESEY. That is the place.

Mr. NELLIS. Lookout Club operates the Gambling Casino?

Mr. GIESEY. That is right.

Mr. NELLIS. A pretty plush place?

Mr. GIESEY. It is a beautiful spot.

Mr. NELLIS. Have you been there?

Mr. GIESEY. I have been there.

Mr. NELLIS. Will you describe it a little bit inside?

Mr. GIESEY. Well, if I had Mr. Lausche's diagram, I could give you a pretty accurate description of it.

Mr. NELLIS. Just from your memory, what did it have? Dice tables, craps, roulette?

Mr. GIESEY. They had slot machines; we don't want to forget them. They had slot machines and crap tables. I don't know whether they had roulette or not. I think—I don't recall ever seeing a roulette table down there. I wouldn't have any occasion to go amongst those. When I would go back to where the office would be, where I would transact my business, we would go through a row of slot machines, and I can see on one side there are the crap tables.

Mr. NELLIS. You had the same situation here that you had in the other club, in that Lookout House, Inc., operated night-club entertainment, dining room, and liquor business; isn't that right?

Mr. GIESEY. That is right.

Mr. NELLIS. And it is a Kentucky corporation?

Mr. McMAHON. Do you know?

Mr. NELLIS. It is; isn't it, a Kentucky corporation?

Mr. GIESEY. That I don't know. That was incorporated when I was in the Army. I don't know where they incorporated. I think it is a Kentucky corporation; that's right.

Mr. NELLIS. Jimmy Brink, Inc., is a Nevada corporation; right?

Mr. GIESEY. That is right; yes.

Mr. NELLIS. It holds the real estate on which this club is located?

Mr. GIESEY. That is right.

Mr. NELLIS. Right. You have the same set-up here that you have in the Beverly Hills Country Club; right?

Mr. GIESEY. That is right.

Mr. NELLIS. You are secretary of Jimmy Brink, Inc., and Lookout House, Inc.?

Mr. GIESEY. That's right; since 1945 or 1946 I have been secretary.

Mr. NELLIS. Do you draw any income as secretary of these corporations?

Mr. GIESEY. No, sir.

Mr. NELLIS. It is just a managerial function; right?

Mr. GIESEY. It is not a managerial function; it is just a title that I hold for signing papers.

Mr. NELLIS. I am interested in this Nevada matter. How did you get out to Nevada to form that?

Mr. GIESEY. Well, when the corporation was formed, they had an attorney from Chicago—I can't recall his name—that was his doing.

Mr. NELLIS. He came here?

Mr. GIESEY. He came from Chicago.

Mr. NELLIS. At a meeting?

Mr. GIESEY. Mr. Brink knew the attorney.

Mr. NELLIS. You were present at the meeting.

Mr. GIESEY. No; I wasn't present at the first meeting. I may have been at a subsequent meeting.

Mr. NELLIS. He was present at the subsequent meeting as well?

Mr. GIESEY. That is right, and he——

Mr. NELLIS. You heard the discussion concerning how this was to be set up?

Mr. GIESEY. That is right.

Mr. NELLIS. Did you have any opinion on it at that time?

Mr. GIESEY. Yes; I thought it was a good idea.

Mr. NELLIS. Why?

Mr. GIESEY. Well, for tax purposes if you get two corporations there, you are in a better position than having one corporation.

Mr. NELLIS. Wasn't it your idea that it would be a nice thing to have the real estate held by a different company and then, in turn, have another company hold the gambling casino so as to get as far away from the real estate as possible?

Mr. GIESEY. No; I don't think that was. It was purely a tax angle.

Mr. NELLIS. Purely a tax angle?

Mr. GIESEY. Yes, sir.

Mr. NELLIS. Who were the partners in this club?

Mr. GIESEY. Do you have a sheet similar to the other one? I can help you out.

Mr. NELLIS. I am asking you. Do you remember?

Mr. GIESEY. No.

Mr. NELLIS. Offhand?

Mr. GIESEY. No; I can't state from memory on a thing like that.

Mr. NELLIS. It was the same boys? Weren't the same boys in this?

Mr. GIESEY. No; I didn't think they were.

Mr. NELLIS. Wasn't Morris Kleinman in it?

Mr. GIESEY. Morris Kleinman: I was given information to the effect that Morris Kleinman was a partner.

Mr. NELLIS. You know he was, don't you?

Mr. GIESEY. Well, to say——

Mr. NELLIS. Sure, you do.

Mr. GIESEY. To say that I knew that he was, I filed on his income-tax return that he gets income from there?

Mr. NELLIS. Louis Rothkopf?

Mr. GIESEY. Louis Rothkopf was a partner.

Mr. NELLIS. M. B. Dalitz?

Mr. GIESEY. M. B. Dalitz.

Mr. NELLIS. Did he ever use the name Davis in connection with this return, do you remember?

Mr. GIESEY. No, no sir: not from my knowledge.

Mr. NELLIS. Samuel Schraeder?

Mr. GIESEY. That's right.

Mr. NELLIS. John Croft?

Mr. GIESEY. That's right.

Mr. NELLIS. Samuel Miller?

Mr. GIESEY. Samuel Miller was before the war. Sam—Sam Miller was a partner at one time.

Mr. NELLIS. Isn't he known as "Game Boy"?

Mr. GIESEY. He is "Game Boy" Miller.

Mr. NELLIS. You call him "Game Boy" when you see him?

Mr. GIESEY. No, sir. I call him Sam.

Mr. NELLIS. What does it mean? Have you any idea?

Mr. GIESEY. I have no idea of the word.

Mr. NELLIS. I have wondered about that.

Mr. GIESEY. Other than what I have read in the newspapers. I guess he is a pretty spunky little kid.

Mr. McMAHON. Mr. Sutton ought to be able to tell you.

Mr. NELLIS. I am asking Mr. Gieseey.

Mr. GIESEY. No; I don't know. I don't think——

Mr. NELLIS. Is he related to Mushy Wexler?

Mr. GIESEY. I would have no knowledge of that.

Mr. NELLIS. You never heard that he was a brother-in-law of Mushy Wexler?

Mr. GIESEY. No, sir; I do not.

Mr. NELLIS. You know Bessie Miller at the Theatrical Grill?

Mr. GIESEY. I know who Bessie Miller is. She collects your money when you pay your check at the Theatrical Grill.

Mr. NELLIS. Do you know that Mushy owns the Theatrical Grill?

Mr. GIESEY. Yes.

Mr. NELLIS. You had heard that?

Mr. GIESEY. Yes.

Mr. NELLIS. And you thought about Bessie Miller being Sam "Game Boy" Miller's sister; right?

Mr. GIESEY. No; she is Sam Miller's sister, but I don't know what relation she is to Mushy Wexler.

Mr. NELLIS. Charles Polizzi, when did he become a partner in this enterprise?

Mr. GIESEY. He was a partner from the beginning.

Mr. NELLIS. Did I ask you about Samuel Schraeder? I think I did.

Mr. GIESEY. Yes.

Mr. NELLIS. James Brink?

Mr. GIESEY. James Brink was a partner originally and he made a shift with M. B. Brink later on. I don't remember when it took place.

Mr. NELLIS. Who is M. B. Brink?

Mr. GIESEY. Marion Brink, his wife.

Mr. NELLIS. He was a partner in 1944; that is certain?

Mr. GIESEY. It seems to me this took place in about 1945.

Mr. NELLIS. And in 1945, 1946, 1947, and 1948 it was his wife who drew the income from this partnership; is that right?

Mr. GIESEY. That's right.

Mr. NELLIS. Who was Charles V. Carr?

Mr. GIESEY. That I wouldn't know. He is somebody associated with Jimmy Brink; I don't know.

Mr. NELLIS. Have you ever met him?

Mr. GIESEY. No, sir. I think he is dead now.

Mr. NELLIS. You have never seen him?

Mr. GIESEY. Never saw him.

Mr. NELLIS. Who is Mitchell Myer?

Mr. GIESEY. He is one of the names I think that we read on the Beverly.

Mr. NELLIS. Who is he? Do you know him?

Mr. GIESEY. He is one of the partners down there.

Mr. NELLIS. You have met him, haven't you?

Mr. GIESEY. Oh, yes; I know Mitchell Myer.

Mr. NELLIS. Where does he live?

Mr. GIESEY. I think he lives in Cincinnati.

Mr. NELLIS. What is his business?

Mr. GIESEY. He is a partner, to my knowledge, as far as my knowledge of who the partners are, which I won't qualify every time, but I think we can assume that, in Beverly Hills.

Mr. NELLIS. Who is Louise K. Tucker?

Mr. GIESEY. That is Sam Tucker's wife.

Mr. NELLIS. Do you know whether Sam Tucker had anything to do with this club?

Mr. GIESEY. No, sir; a partner in the Lookout Club is Louise Tucker.

Mr. NELLIS. Louise K. Tucker?

Mr. GIESEY. Louise K. Tucker.

Mr. NELLIS. Did you ever attend a meeting at which it was discussed whether Sam Tucker should go into it or his wife should go into it?

Mr. GIESEY. No; except that that question came up when they got into the Lookout House. They decided to put Mrs. Tucker in there for income-tax purposes; no question about it.

Mr. NELLIS. Do you know whether Sam Tucker was drawing any income from any other enterprise that would cause him to desire this situation or this set-up for income-tax purposes?

Mr. GIESEY. No. If I had Mr. Tucker's income-tax return, I could tell you what his income was, because I filed Mr. Tucker's income-tax return and I showed all his income on there.

The CHAIRMAN. Are those all the Tuckers in the Lookout Club that you remember?

Mr. GIESEY. That's all that I recall, Senator.

Mr. NELLIS. Who is John Croft? Did I ask you about him?

Mr. McMAHON. I think you did.

Mr. NELLIS. Who is he; do you know him?

Mr. GIESEY. John Croft is a partner in Beverly Hills. I don't recall for sure whether he is a partner in the Lookout or not. Is he on that list?

Mr. NELLIS. He is listed; yes.

Mr. GIESEY. Then he is a partner.

Mr. NELLIS. He draws income from it?

Mr. GIESEY. He is a partner in the Lookout.

Mr. NELLIS. Where is Mr. Croft?

Mr. GIESEY. Mr. Croft lives in Cincinnati; where he is now I don't know.

Mr. NELLIS. When was the last time you saw him?

Mr. GIESEY. I don't think I have seen Croft for 6 months.

Mr. NELLIS. He hasn't communicated with you in any way?

Mr. GIESEY. No.

Mr. NELLIS. Do you know where Mr. Brink is, James Brink?

Mr. GIESEY. No, sir; I do not.

The CHAIRMAN. Let me see if I understand this. In this case you have one corporation that owns the ground; that is Jimmy Brink, Inc.?

Mr. GIESEY. Yes.

The CHAIRMAN. Another one that operates the restaurant, et cetera, Lookout House, Inc.?

Mr. GIESEY. Yes, sir.

The CHAIRMAN. And the people that own these corporations are then the partners in the gambling operation?

Mr. GIESEY. That is right.

The CHAIRMAN. That is the general pattern?

Mr. GIESEY. That is right.

The CHAIRMAN. I suppose one consideration would be if there were any attachments, or something, it would be a separate corporation to prevent the land from being seized or taken over, or something of that sort?

Mr. GIESEY. I assume that the legal counsel took that into consideration when they set it up that way.

The CHAIRMAN. I did want to ask, How do you get paid for your work? Are you paid by the year or——

Mr. GIESEY. No, sir; we get paid each month.

The CHAIRMAN. Each month?

Mr. GIESEY. That's right.

The CHAIRMAN. Are you paid by each one of the things separately or do they pay you——

Mr. GIESEY. No; each one pays their own bill.

The CHAIRMAN. You mean you get three payments, one from the partners, one from the landholding company, and the other from the operating company?

Mr. GIESEY. Well, the land company we get paid once a year but from the restaurant we get paid once a month and from the club once a month.

The CHAIRMAN. The same fellow handles all three of them?

Mr. GIESEY. No, no, very definitely not, Senator. The casino operations are operated by entirely different people from the restaurant. They have separate managers, people that are experienced in the restaurant business.

The CHAIRMAN. What I mean, the ownership is the same all the way through.

Mr. GIESEY. Oh, yes; the stock ownership is the same, yes sir.

The CHAIRMAN. Would you give us some idea about this? Is it a lucrative business for you? Does it pay you substantially or——

Mr. GIESEY. Well, I think I put in the record here Mr. Nellis, if he has the Giese & Sauers partnership return. I think we had an income of \$79,000 in 1949, of which I would say \$5,000 of it may have come from those two clubs.

The CHAIRMAN. So Lookout House, the Lookout outfit you think would pay you \$3,000 a year all together? Something like that?

Mr. GIESEY. The two of them together would probably be five or six thousand dollars.

The CHAIRMAN. Do you get any commission?

Mr. GIESEY. No, sir. That would be an ideal set up.

Mr. HALLEY. Do you get fees from the individual partners?

Mr. GIESEY. No, sir.

Mr. HALLEY. Or any of them at all?

Mr. GIESEY. No, sir; we do not.

Mr. HALLEY. You don't get any fee at all from Kleinman for making his income-tax return?

Mr. GIESEY. No, sir; that is included with the fees from them.

The CHAIRMAN. It is 11:15. Suppose we take a 5-minute break and we will resume sharply in 5 minutes.

(Recess had.)

The CHAIRMAN. All right. The committee will come to order.

Let's see if we can get along a great deal faster than we are. We are taking too much time.

Mr. Counsel and Mr. Witness, let's try to get down to the essential facts that we have.

Mr. NELLIS. Mr. Giesey, did you file returns for Chesapeake Catering Co.?

Mr. GIESEY. Yes, sir.

Mr. NELLIS. What was that?

Mr. GIESEY. Chesapeake Catering Co. is an operation in Chesapeake, Ohio.

Mr. NELLIS. What kind of an operation?

Mr. GIESEY. Well, I think it was a gambling club.

Mr. NELLIS. Like this?

Mr. GIESEY. Same as the other one, yes.

Mr. NELLIS. And the set-up was the same, you had a holding company holding the real estate?

Mr. GIESEY. No. They rented—they had a little building down there. No; there is no comparison with their set-ups. This operation they had was in the building separately, all by itself.

Mr. NELLIS. And there was the Colony Club?

Mr. GIESEY. I don't know whether that name Colony Club—I never had any knowledge of any Colony Club until I read about it in the newspapers.

Mr. NELLIS. Was it the Continental Club?

Mr. GIESEY. No. I don't know. It might be the Colony Club. From the newspapers—what the newspapers refer to as the Colony Club could be the same as this.

Mr. NELLIS. And there was the Schwartz Bros. Don't they own that place?

Mr. GIESEY. Bill Schwartz is the only one I know of.

Mr. NELLIS. William Schwartz?

Mr. GIESEY. William Schwartz.

Mr. NELLIS. Who were the partners in that?

Mr. GIESEY. If you have a list like you had before, I could——

Mr. NELLIS. I am asking for your recollection. Who were the partners?

Mr. GIESEY. Well, I would say it was William Schwartz, a man by the name of Votée, I think, and Sam Schraeder, Sam Tucker, and the group from Beverly Hills.

Mr. NELLIS. You mean Dalitz, Kleinman, Rothkopf, and so forth?

Mr. GIESEY. That's right. That is my recollection of it.

Mr. NELLIS. Dalitz, Rothkopf, and Kleinman, surely; is that right?

Mr. GIESEY. I don't know for sure whether Dalitz was in it, but I think Kleinman and Rothkopf were unquestionably in it. I am not sure about Dalitz.

Mr. NELLIS. Was J. C. Lenz in it?

Mr. GIESEY. No.

Mr. NELLIS. You don't recognize that name?

Mr. GIESEY. No.

Mr. NELLIS. In preparing returns for Dalitz, Tucker, Rothkopf, Kleinman, and Haas—did you prepare any returns for Haas?

Mr. GIESEY. That's right.

Mr. NELLIS. Did you observe any income accruing to them from Detroit Steel Corp.?

Mr. GIESEY. I surely did.

Mr. NELLIS. Will you tell us about that?

Mr. GIESEY. They acquired—they owned—when I got out of the Army they owned 10,000 shares of stock of the Detroit Steel Corp., of which Mr. Haas owned one-third, and Mr. Kleinman, Rothkopf, Dalitz, and Tucker owned the other two-thirds.

The CHAIRMAN. What are the names again? Haas one-third—

Mr. GIESEY. Haas owned—of the original 10,000 shares, Haas owned one-third, and the other four names owned the other two-thirds.

The CHAIRMAN. What were the other four?

Mr. GIESEY. Dalitz, Rothkopf, Tucker, and Kleinman. They reported on their income-tax return of dividends paid by the Detroit Steel Corp.

Mr. NELLIS. Did you ever discuss with them how they got into this business?

Mr. GIESEY. How they got into the steel business?

Mr. NELLIS. Yes.

Mr. GIESEY. No, sir. That was done while I was in the Army.

Mr. NELLIS. They never reported to you or your firm or anyone in your firm how they got into that business?

Mr. GIESEY. No. We don't have any occasion. All we are interested in is the income that they get from the dividends, and they told us they had the dividend, they received them, and we included them on the return.

Mr. NELLIS. You recall your testimony that your wife, I believe you said, bought 100 shares on four different occasions; is that right?

Mr. GIESEY. That's right.

Mr. NELLIS. Of the same corporation?

Mr. GIESEY. Of Detroit Steel. It is a New York listed stock.

Mr. NELLIS. How did she happen to buy that?

Mr. GIESEY. Well, it was paying a dividend of \$2.50 a year and selling for around \$22 or \$23. I thought that would be a pretty good return.

It had no connection whatsoever with this transaction at all, Mr. Nellis.

Mr. NELLIS. These persons we have been talking about didn't advise you to buy stock in that corporation?

Mr. GIESEY. They certainly never did; no, sir.

Mr. NELLIS. Do you know about a personal loan made by Max Zivian to Moe Dalitz?

Mr. GIESEY. I have no knowledge of that.

Mr. NELLIS. Did you ever meet Max Zivian?

Mr. GIESEY. I think I met Max Zivian; yes.

Mr. NELLIS. Who is he, sir?

Mr. GIESEY. He is president of the Detroit Steel Corp.

Mr. NELLIS. Mr. Chairman, at this time I would like to introduce into the record a chart which explains the operations of the Detroit Steel Corp. and the means by which the group concerning whom the present witness has testified got into that corporation.

Mr. Chairman, prior to July 1944 there were two companies, the Reliance Steel Corp. organized in 1932, capitalized in 1943, et cetera. These persons were the officers of that corporation.

The Detroit Steel Corp.—

The CHAIRMAN. I think that we will defer putting the chart in the record until the matter is developed further.

Mr. NELLIS. All right.

Mr. GIESEY. You asked me about Detroit Steel Corp. stock. You are talking about a corporation there that I think in all fairness to the Detroit Steel Corp.—it doesn't mean anything to me, maybe it will decrease my stock if this comes out in big headlines, so I may have some interest in it—but I think they have two or three million shares outstanding, and you are talking about a little 10,000 shares of stock.

Mr. NELLIS. I am talking about—

The CHAIRMAN. Well, I think that for the present time until the matter is developed further, why, the chart will not be put in the record.

The question has been about how much stock these men owned in the Detroit Steel Corp., and you can testify what you know about it.

Mr. GIESEY. I have already, Senator.

Mr. NELLIS. Now, Mr. Giesey, have you ever been at the Desert Inn in Nevada?

Mr. GIESEY. Yes. I had occasion to go to California on another business matter in April of last year, and on my way back I stopped there before the place opened out of curiosity, and I stayed for the opening.

Mr. NELLIS. Did you ever prepare any tax returns for the Desert Inn?

Mr. GIESEY. No, sir.

Mr. NELLIS. Did you ever hear that Kleinman, Dalitz & Rothkopf are in that operation?

Mr. GIESEY. Yes, sir. I read about it in the newspapers.

Mr. NELLIS. Do you know Wilbur Clark?

Mr. GIESEY. I have never met Wilbur Clark. I know him by sight, but I have never met Wilbur Clark.

The CHAIRMAN. Do you know that Kleinman, et al. are in that operation? You handled their finances.

Mr. GIESEY. I have nothing whatsoever to do with the Desert Inn.

The CHAIRMAN. I know, but you have something to do with their business.

Mr. GIESEY. With Kleinman's?

The CHAIRMAN. Yes.

Mr. GIESEY. Yes; I do.

The CHAIRMAN. I suppose your records should show that he is in it or not.

Mr. GIESEY. I have no records at this time showing that he is. This is a 1950 transaction, and I won't know anything about that until we present the 1950 returns.

Mr. NELLIS. And he has given you no information concerning any income about that operation?

Mr. GIESEY. No. That is a corporation, and I don't think they got any income from it.

Mr. HALLEY. How did you work out that 1950 estimate that had to be filed?

Mr. GIESEY. His 1950 estimate has not been filed.

Mr. HALLEY. Do these fellows succeed in getting extensions so they don't have to file—

Mr. GIESEY. They can't get an extension on estimates. It should have been filed on January 15, and they did not file it.

Mr. HALLEY. You mean they are in default?

Mr. GIESEY. That's right.

Mr. HALLEY. They prefer to be in default rather than reveal necessary figures before the committee hearing?

Mr. McMAHON. I object to that.

Mr. GIESEY. I don't know what they prefer.

Mr. McMAHON. He told you they are in default.

Mr. HALLEY. He gave his conclusion as to why they took the records back from him so they couldn't be presented before this committee, and I would like his conclusion now as to this. If he doesn't want to give it, he doesn't have to, but he has been very frank up to this time.

The CHAIRMAN. Mr. McMahon, he has handled their records and I suppose he would know why they didn't file.

Mr. GIESEY. They are not here to sign.

Mr. McMAHON. He wouldn't know why they didn't prefer to file an estimate.

Mr. GIESEY. They weren't here to sign them, so they were not filed.

Mr. HALLEY. Excuse me, Mr. Nellis. Go ahead.

Mr. NELLIS. Do you know Wilbur Clark?

Mr. GIESEY. No, sir. I would know him by sight, but I never met him.

Mr. NELLIS. Do you recall the books which you turned over to this committee?

Mr. GIESEY. That's right.

I loaned them \$7,500 at 4½ percent interest on a 6-month loan, and I received it back with my interest.

Mr. NELLIS. Was this a personal loan?

Mr. GIESEY. That was a personal loan.

Mr. NELLIS. To whom? To Wilbur Clark?

Mr. GIESEY. Yes—no, that was a personal loan to the corporation.

Mr. NELLIS. To the Desert Inn?

Mr. GIESEY. To the Wilbur Clark Desert Inn, Inc.

Mr. NELLIS. Then about 5 months later the books show a repayment.

Mr. GIESEY. I got it back again. They were refinancing, they told me; as soon as they could get the refinancing completed they would pay the loan back.

Mr. NELLIS. Two days after that on April 11, 1950, you have a \$7,500 item deposited in the following notation: "Sam. H. XCH"?

Mr. GIESEY. That's right. I didn't know I was going to get that \$7,500 back, so I borrowed \$7,500 from Sam Haas. That is purely a loan.

Mr. NELLIS. You borrowed \$7,500 from Sam Haas?

Mr. GIESEY. That's right.

Mr. NELLIS. Within 2 days after repayment of the Desert Inn loan?

Mr. GIESEY. It has no connection whatsoever between the Desert Inn loan and that.

Mr. NELLIS. You testified you filed returns for the Pettibone Club; is that right?

Mr. GIESEY. That's right.

Mr. NELLIS. Who were the partners in that, Mr. Giesey?

The CHAIRMAN. Where is the Pettibone Club?

Mr. GIESEY. The Pettibone Club is a notorious organization in Geauga County, Senator.

The CHAIRMAN. Ohio?

Mr. GIESEY. Yes.

Mr. NELLIS. Who were the partners in that operation?

Mr. GIESEY. Morris Kleinman, Lou Rothkopf.

The CHAIRMAN. A little slower.

Mr. GIESEY. Pardon me.

The CHAIRMAN. Kleinman, Rothkopf.

Mr. GIESEY. Georgie Gordon.

The CHAIRMAN. Who?

Mr. GIESEY. George Gordon, Ruby Kolod, and Alfred Goltsman.

The CHAIRMAN. Has that got the same set-up, three different operations?

Mr. GIESEY. No, sir. That is just a large building out here that—well, they have a restaurant in it and they have a separate room where they have gambling, but there is no separate organizations as there is in the other. That is all a partnership.

Mr. HALLEY. Where is the Pettibone Club?

Mr. GIESEY. It is in Geauga County. It is off Route—I can get out there, but I don't know.

Mr. HALLEY. You have been there?

Mr. GIESEY. I have been in the place; yes.

Mr. HALLEY. And you also filed returns for that club?

Mr. GIESEY. That's right.

Mr. HALLEY. That is also strictly illegal, I presume?

Mr. GIESEY. It is a gambling operation.

Mr. NELLIS. And the same goes for the Mounds Club?

Mr. GIESEY. I have nothing whatsoever to do with the Mounds Club, never did have.

Mr. NELLIS. You never filed any returns for that?

Mr. GIESEY. Never did; no, sir.

Mr. NELLIS. What was the Union Enterprise Co.?

Mr. GIESEY. The Union Enterprise was the new partnership that took over the operation in Chesapeake; when Schwartz and Patton got out of it, this other group went in.

Mr. NELLIS. The other group you have mentioned?

Mr. GIESEY. That's right.

Mr. NELLIS. They took over from Schwartz and Patton?

Mr. GIESEY. That's right. Patton and Schwartz got out and the others went in.

The CHAIRMAN. Who took over?

Mr. GIESEY. You already have that, Senator. It is in the record as to who—that is Votee, Tucker, Schwartz, and the rest of them. It is as the record already clearly shows.

Mr. NELLIS. What year was that, do you recall?

Mr. GIESEY. I think that was in 1946 or 1947, whatever the returns show.

Mr. NELLIS. That was a gambling enterprise, was it not?

Mr. GIESEY. That's right.

Mr. NELLIS. What is the Buckeye Catering Co.?

Mr. GIESEY. Buckeye Catering Co. is the—I still think it would be a surprise to me if you find any slot machines there; it is the pinball machines that Jerry Milano runs.

Mr. NELLIS. Anybody else in with him?

Mr. GIESEY. He has two other partners. I don't recall who they are. Jerry Milano and—

Mr. NELLIS. James Licavoli?

Mr. GIESEY. No. I don't know James Licavoli. I never had anything to do with him. I wouldn't know him if I see him.

All I know about Licavoli is that he is connected with the Purple gang, according to the newspapers. I don't know him.

Mr. NELLIS. You don't know the two other partners in the Buckeye Catering.

Did you ever know that John Angersola was in that?

Mr. GIESEY. You are talking about a different business now.

Mr. NELLIS. What are the two businesses?

Mr. GIESEY. I mean, the Buckeye Catering Co. that we are talking about here is the Buckeye Catering Co. that is in business today.

Mr. NELLIS. What is the one that was in business when Angersola drew income from it?

Mr. GIESEY. That must have been prior to 1938 or 1939. I don't know what you are referring to there.

Mr. NELLIS. It was 1940. You prepared the returns, didn't you?

Mr. GIESEY. I don't think John Angersola had ever showed up in the Buckeye Catering Co. in 1940.

Mr. NELLIS. How about Al Polizzi?

Mr. GIESEY. I don't think so. I'd have to see it.

Mr. NELLIS. You don't recall that?

Mr. GIESEY. I definitely don't recall it, no.

Mr. NELLIS. In 1940 you prepared a return which shows that Al Polizzi received some income from the Buckeye Catering Co.

Mr. GIESEY. Then if I prepared the return, I will take all the responsibility for it; must have been.

Mr. NELLIS. You recall now, don't you?

Mr. GIESEY. I still don't recall it, but if you say I prepared a return in 1940, I will take your word for it.

Mr. NELLIS. What was the business of the company at that time?

Mr. GIESEY. They were in—in 1940?

Mr. NELLIS. Yes.

Mr. GIESEY. That could have been a slot-machine business in 1940.

Mr. NELLIS. A slot-machine business?

Mr. GIESEY. That's right.

Mr. NELLIS. And John Angersola received income from that same business in 1940.

Mr. GIESEY. Then he was a partner in the Buckeye Catering Co., then.

Mr. NELLIS. What kind of business was it then?

Mr. GIESEY. Slot machine. You are talking about 1940?

Mr. NELLIS. Yes.

Mr. GIESEY. O. K.

Mr. NELLIS. You prepared the return, didn't you?

Mr. GIESEY. I don't recall, but if you——

Mr. NELLIS. Don't you recall a discussion with a revenue agent concerning John King's return on that particular item?

Mr. GIESEY. Not on that particular item. I recall probably discussing matters with the internal revenue agent, but I don't remember the year. If you say it was 1940, and you have any definite record, it was probably 1940.

Mr. NELLIS. In that same year he had miscellaneous gambling income which, I take it, you also put down?

Mr. GIESEY. Are you sure I prepared John Angersola's income tax return?

Mr. NELLIS. Yes, you prepared his tax return. It is right here in our record on file with the committee.

Mr. GIESEY. Well, then——

Mr. NELLIS. Then it must be so?

Mr. GIESEY. If my name is shown that I prepared——

Mr. McMAHON. May the witness have the income tax return to refresh his recollection? He says he doesn't know.

The CHAIRMAN. I think he brought some records there, probably yesterday.

Mr. McMAHON. I don't believe we brought anything like that, did we?

Mr. GIESEY. I know we didn't.

Mr. McMAHON. If they have it, maybe he can discuss it from there, but he has no definite recollection what is in it.

Mr. NELLIS. But no doubt if the committee record shows it, you would agree that it is right?

Mr. GIESEY. I wouldn't say the committee record, Mr. Nellis. I would say if the original income tax return shows my name on it——

Mr. NELLIS. Then it is right?

Mr. GIESEY. I will say I prepared it; yes.

Mr. NELLIS. And the Buckeye Catering at that time was a slot operation?

Mr. GIESEY. I didn't think it was in 1940. I thought that went out in 1938, but if it shows in 1940—no, I will still qualify that. It is my recollection that the slot machines went out in 1938, and that business operated as a pinball machine that I think came in vogue at that time.

Mr. NELLIS. I have no further questions of this witness.

The CHAIRMAN. Mr. Halley has some.

Mr. HALLEY. Did you prepare the return for the Angersolas or any of them?

Mr. GIESEY. I did in the early years. I don't remember when we stopped. But I think the Angersolas left Cleveland in the early forties.

Mr. HALLEY. Well, let's see. There are three brothers.

Mr. GIESEY. Oh, the only one I ever had anything to do with was John.

Mr. HALLEY. John?

Mr. GIESEY. That is right.

Mr. HALLEY. What business was he in?

Mr. GIESEY. He was in the slot-machine business, is the only knowledge I have of him.

Mr. HALLEY. And that was illegal at the time; is that right?

Mr. GIESEY. Well, I guess it still is.

Mr. HALLEY. Well, then, you never did any tax work for Fred Angersola?

Mr. GIESEY. No, sir.

Mr. HALLEY. Then this chap, Morris Kleinman, I think you have testified he was in various gambling enterprises. Had he any other business?

Mr. GIESEY. Morris Kleinman?

Mr. HALLEY. Yes.

Mr. GIESEY. He owns an apartment house. When we filed his return, on Kemper Road, Shaker Heights.

Mr. HALLEY. And any other business?

Mr. GIESEY. Well, there is the Desert Inn.

Mr. HALLEY. Well, that is another gambling business, of course.

Mr. GIESEY. That is all that I have any knowledge of Mr. Kleinman.

Mr. HALLEY. So far as you know, he is practically completely a man in the gambling business; is that right?

Mr. GIESEY. Well, you are asking me for an opinion, and it could be, from his income, maybe, the majority part of it comes from the gambling business.

Mr. HALLEY. Well, you don't know any that doesn't come from the gambling business except an investment he made in an apartment house?

Mr. GIESEY. Except the apartment house, that is right, and his dividends from Detroit Steel Corp., which were quite substantial.

Mr. HALLEY. And at least, presumably, the money he invested in Detroit Steel and the apartment house came from the gambling business.

Mr. McMAHON. Who makes that presumption? Not this witness.

Mr. HALLEY. Now, would you say that Tom McGinty has any legitimate enterprises?

Mr. GIESEY. I wouldn't know anything about Mr. McGinty's personal affairs.

Mr. HALLEY. Do you prepare his income-tax returns?

Mr. GIESEY. I do not prepare his tax returns.

Mr. HALLEY. Well, he is a partner in some of the gambling enterprises you do report for.

Mr. GIESEY. That is right, and information as to Mr. McGinty's share is furnished to Mr. Moriarity.

Mr. HALLEY. So, to the extent you know about Mr. McGinty's operations—

Mr. GIESEY. I know nothing about them.

Mr. HALLEY. Well, you know he is a partner in some gambling enterprises.

Mr. GIESEY. I have admitted that, Mr. Halley.

Mr. HALLEY. But you don't know anything legitimate he does?

Mr. McMAHON. I object. He said he didn't know what his business was or what he is interested in.

The CHAIRMAN. Well, does he know any legal businesses? That is the question.

Mr. McMAHON. He says he has no connection, Senator, with Tom McGinty.

Mr. GIESEY. Yes; I would say the only legal business that I have any knowledge of Mr. McGinty is in the Desert Inn.

Mr. HALLEY. Well, that is also a gambling enterprise.

Mr. GIESEY. It is a gambling enterprise, as well as a hotel, restaurant, and night club.

Mr. HALLEY. Now then, Moe Dalitz; did you prepare his return?

Mr. GIESEY. That is right.

Mr. HALLEY. In addition to these gambling enterprises, has he any legitimate business?

Mr. GIESEY. Yes, sir. Mr. Dalitz has a salary income from a linen supply company in Cleveland, and a linen supply company in Michigan.

And I am assuming you have his income-tax returns and you can certainly get all that information right off there, because all his income is reported. He shows income from, I think, an interest in some oil lease.

Mr. HALLEY. When did he go into these legitimate enterprises, if you know?

Mr. GIESEY. Well, as far as the Pioneer is concerned, he has been in the Pioneer before I went in the Army, and he was still in it when I got out, and he is still in it, as far as this oil lease is concerned. That might have been the past 3 or 4 years. That is pretty hard to recall, just when he did go in them.

The tax returns will speak for themselves, Mr. Halley. When he went in, it would show on his tax returns when he went in it, if he received any income.

Mr. HALLEY. Now, let's go on to Morris Wexler. Do you file his returns?

Mr. GIESEY. That is right.

Mr. HALLEY. Does he have any legitimate business that you know of?

Mr. GIESEY. I know of nothing that Morris Wexler has that isn't legitimate.

Mr. HALLEY. Is he a partner in any gambling enterprises?

Mr. GIESEY. He is not a partner in any gambling enterprise that I know anything about.

Mr. HALLEY. Has he ever been a partner in a gambling enterprise?

Mr. GIESEY. Not to my knowledge, he has not.

Mr. HALLEY. What are his legitimate interests?

Mr. GIESEY. The Theatrical Grill and the Empire News Service, or wire service.

Mr. HALLEY. What is the situation with respect to Louis Rothkopf?

Mr. McMAHON. Concerning what?

Mr. HALLEY. Concerning his businesses.

Mr. GIESEY. What legitimate business Louis Rothkopf has?

Mr. HALLEY. Yes.

Mr. GIESEY. Well, he has an interest in that apartment house.

Mr. HALLEY. Which apartment house is that?

Mr. GIESEY. The one that Kleinman has an interest in.

He has dividends from the Detroit Steel Corp., and if I would see his tax return—I don't recall, there might be other things, but that is the major part of it.

Mr. HALLEY. And he has these various gambling interests; is that right?

Mr. GIESEY. That is right; yes, sir.

Mr. HALLEY. And what is the situation with regard to Samuel Tucker?

Mr. GIESEY. I would say the same thing with Mr. Tucker.

Mr. HALLEY. Well, what do you mean by the same thing?

Mr. GIESEY. Well, I mean the major part of Mr. Tucker's income is from the gambling club.

Mr. HALLEY. What legitimate enterprises has he?

Mr. McMAHON. Mr. Halley, may I suggest this? We have furnished——

The CHAIRMAN. Well, Mr. McMahon, if he——

Mr. McMAHON. Senator, may I complete what I have to say?

The CHAIRMAN. All right.

Mr. McMAHON. We furnished to the committee a number of income-tax returns. Now, may we have them available? They are in evidence as exhibits, so if the man could look at them, he could possibly answer your questions more definitely.

Mr. HALLEY. I think that is a fair request.

Mr. NELLIS. Which ones?

Mr. HALLEY. Give him all of them.

Mr. GIESEY. Mr. Tucker's income-tax return——

Mr. McMAHON. The ones I gave you, Mr. Nellis, were all on this.

Mr. GIESEY. Well, I would say the only income Mr. Tucker would have would be from his gambling and dividends. I think that is right, Mr. Halley. I think that is all.

Mr. HALLEY. Shall I go ahead?

Mr. GIESEY. Well, I have answered the best I can without them.

Mr. HALLEY. What would you say about Jimmy Brink or M. B. Brink, his wife?

Mr. GIESEY. What business they are in?

Mr. HALLEY. Yes.

Mr. GIESEY. Well, I think the biggest thing Jimmy Brink is in right now is his horses. He operates a racing stable, and his wife is a partner in the Beverly Hills and the Lookout Club.

Mr. HALLEY. She took over his partnership?

Mr. GIESEY. That is right.

Mr. HALLEY. At about the time he acquired the racing stable, would you say?

Mr. GIESEY. No; I don't think there is any connection between the two. Mr. Brink has always been interested in horses, as long as I can remember.

I don't know when he got into horses; no. We have only been preparing Mr. Brink's income-tax returns probably for the last 2 or 3 years.

Mr. HALLEY. In addition to the horses and the gambling business, does he have any other business—he or his wife?

Mr. GIESEY. Not to my knowledge; no, sir.

Mr. HALLEY. What are the businesses of Samuel Haas?

Mr. GIESEY. What are the businesses?

Mr. HALLEY. Yes.

Mr. GIESEY. Mr. Haas is an attorney.

Mr. HALLEY. Is he a partner in any of these gambling enterprises?

Mr. GIESEY. He is not.

Mr. HALLEY. He has no interest in any of them?

Mr. GIESEY. None whatsoever, to my knowledge.

Mr. HALLEY. Is he an attorney for any of the gambling enterprises?

Mr. GIESEY. It is possible that he may represent some of these people. I have no definite knowledge of that, either.

Mr. HALLEY. What are the businesses of Sam Miller?

Mr. McMAHON. That is "Game Boy"?

Mr. GIESEY. Sam "Game Boy" Miller?

Mr. HALLEY. If I had said that, you would have objected.

Mr. McMAHON. The Senator said it, I think.

The CHAIRMAN. All right. "Game Boy" Miller; that is who we are talking about.

Mr. GIESEY. What was the question again, Mr. Halley?

Mr. HALLEY. What are the businesses of Sam Miller, alias "Game Boy"?

Mr. GIESEY. Well, I would say that the majority of Mr. Miller's activities would be gambling.

Mr. HALLEY. Has he any legitimate enterprises?

Mr. GIESEY. Yes, sir; Mr. Miller is a partner with Mr. Wexler in the wire service.

Mr. HALLEY. In the wire service?

Mr. GIESEY. Yes.

Mr. HALLEY. What wire service is that?

Mr. GIESEY. The wire service in Ohio.

Mr. HALLEY. And do you know the name of the wire service?

Mr. GIESEY. Empire News and Empire Service Co. There are two companies.

Mr. HALLEY. Do you know anybody named Joe DeCarlo?

Mr. GIESEY. No, sir; I do not.

Mr. HALLEY. Have you heard of him?

Mr. GIESEY. Never even remember reading that one in the newspaper.

Mr. HALLEY. Keep watching. Do you represent the wire service or any of the wire services?

Mr. GIESEY. We have filed the returns for the wire service; yes, sir.

Mr. McMAHON. Mr. Halley, can we have a clarification on wire service? I notice in the papers there was quite a discussion as to whether or not it was a wire service or a news service.

Now, what are we talking about?

Mr. HALLEY. I will politely ignore that.

Mr. GIESEY. Now, let me qualify. I am not talking about any wire service that the newspapers were talking yesterday about Mr. McBride. I have no connection with any service with Mr. McBride.

The CHAIRMAN. You are talking about the Empire?

Mr. GIESEY. I am talking about purely a local situation in Ohio.

Mr. HALLEY. Who owns and controls it?

Mr. GIESEY. Wexler.

Mr. HALLEY. Mushy Wexler?

Mr. GIESEY. Mushy Wexler.

Mr. HALLEY. And who else?

Mr. GIESEY. And Sammy Miller and Robert Kaye.

Mr. HALLEY. And Robert Kaye?

Mr. GIESEY. That is right.

Mr. HALLEY. What other businesses does Robert Kaye have, if you know?

Mr. GIESEY. The only other business I know of Robert Kaye, he is presently working at the Desert Inn. He is the cashier at Desert Inn.

Mr. HALLEY. Then he must be fairly—did he get that job because of his connection with this Kleinman group?

Mr. McMAHON. Objection to that.

Mr. GIESEY. No; I wouldn't say he did; no.

Mr. HALLEY. Was he there before Kleinman bought into the Desert Inn?

Mr. GIESEY. I don't think so. I don't think there was anything there before they bought in.

Mr. HALLEY. Oh, yes, there was an operation.

Mr. GIESEY. Well, you seem to know, Mr. Halley, but as I understand that place was built, and when it was completed these were the only people that ever occupied it.

Mr. HALLEY. They finished the building. We held hearings out there and had a nice long talk with the owners.

Mr. GIESEY. But there was no operations there before the building was finished.

Mr. HALLEY. There were no gambling operations; no.

Mr. GIESEY. That is right.

Mr. HALLEY. But was he connected with the construction or supervision of arrangements before he went there?

Mr. GIESEY. Oh, that I wouldn't know.

Mr. HALLEY. In other words, there was already a group out there working on the Desert Inn before the Kleinman group got in.

Mr. GIESEY. That I wouldn't know.

Mr. HALLEY. He went out with the Kleinman group?

Mr. GIESEY. That is right. I read that in the papers; yes.

Mr. HALLEY. Now, this other partner was a partner in what other gambling enterprise?

Mr. GIESEY. Robert Kaye is connected in what gambling?

Mr. HALLEY. No, Miller.

Mr. GIESEY. Miller at one time was partner in the Lookout Club, and he left there in 1945 or 1944.

Mr. HALLEY. Is he now a partner in any of the gambling places?

Mr. GIESEY. No. We filed Mr. Miller's tax return, and he has an interest in a club in Miami.

Mr. HALLEY. What club is that?

Mr. GIESEY. I don't recall the name of it.

Mr. HALLEY. The Colonial Inn?

Mr. GIESEY. No; I am sure it wasn't the Colonial Inn.

Mr. HALLEY. The Club Boheme?

Mr. GIESEY. No.

Mr. HALLEY. Green Acres?

Mr. GIESEY. No; it doesn't sound like that, but it shows on the tax return.

Mr. HALLEY. But he is in some gambling club in Miami?

Mr. GIESEY. That is right. He has income from a gambling club in Miami.

Mr. HALLEY. Winnie's Little Club in Miami?

Mr. GIESEY. No; that doesn't sound like it.

Mr. HALLEY. Club Continental?

Mr. GIESEY. No, sir.

Mr. HALLEY. Do you know if he was ever connected with the Wofford Hotel in Miami?

Mr. GIESEY. No, sir.

Mr. HALLEY. The Island Club?

Mr. GIESEY. The Island Club sounds like the one. That is the one that he is connected with.

Mr. HALLEY. And do you know any of the other partners at the Island Club?

Mr. GIESEY. No, sir; I do not.

Mr. HALLEY. Did you ever hear of the S. & G. Syndicate?

Mr. GIESEY. No, sir; only what I read in the newspapers.

I will qualify that; I have been reading the newspapers.

Mr. HALLEY. Did you know whether any of the partners in the S. & G. Syndicate in Miami were partners of the Island Club?

Mr. GIESEY. Of that I have no knowledge; no, sir.

Mr. HALLEY. Now, you appear—would it be accurate to say that you are the man who handles the tax returns for a group of people who control the gambling in this area?

Mr. GIESEY. Would you restate that question again?

Mr. HALLEY. Well, are you the tax man for the group that controls the gambling in this area?

Mr. GIESEY. No; I wouldn't say so. I would say the Mounds Club was a pretty big gambling place, and the Jungle Inn was a pretty good-sized place. I had nothing to do with either one of those organizations, so I wouldn't say that I was.

Mr. HALLEY. Were they competing groups?

Mr. GIESEY. They are all located in this area. Whether they are competing or not I don't know.

Mr. HALLEY. Do they operate with the acquiescence and on a harmonious basis with your clients or—

Mr. GIESEY. That I wouldn't have any knowledge of.

Mr. HALLEY. Are they in competition?

Mr. GIESEY. That I wouldn't have any knowledge of.

Mr. HALLEY. Do you know whether any of your clients have any interests, direct or indirect, in the Mounds Club or the Jungle Inn?

Mr. GIESEY. The parties that I named have no interest whatsoever in the Mounds Club and they have no interest in the Jungle Inn.

Mr. HALLEY. They are operated by different groups?

Mr. GIESEY. That's right.

Mr. HALLEY. Now, the group—

Mr. GIESEY. I don't know who is in the Jungle Inn at all.

Mr. HALLEY. How do your clients manage to keep from being prosecuted under local law?

Mr. McMAHON. I object to that.

Mr. GIESEY. That is something I can't answer.

Mr. McMAHON. Don't answer that, why they are not prosecuted under local law. Why are you asking him? He is not a police officer.

Mr. HALLEY. Aw, relax. He can answer if he knows; if he doesn't, he doesn't have to answer.

Mr. GIESEY. It is a very simple answer. I do not know, Mr. Halley.

Mr. HALLEY. That is an answer.

Mr. McMAHON. You are a lawyer. Why do you ask him a question like that?

The CHAIRMAN. Mr. McMahon, he meets with these people; he works up there.

Mr. McMAHON. I get kind of tired of making objections——

Mr. GIESEY. I consider the question——

Mr. HALLEY. The witness has been very cooperative, much more so than you.

Mr. GIESEY. I have no reason——

Mr. HALLEY. It was a fair question and he has given a fair answer.

Mr. GIESEY. I have no reason to be other than cooperative.

Mr. McMAHON. It was not a fair question.

Mr. HALLEY. In the course of your accounting work for them, have you ever been told that certain of the moneys which are charged as expenses are used to bribe local enforcement officers?

Mr. GIESEY. Well, I am sorry it is a very obvious answer. I have no knowledge of that.

Mr. HALLEY. Wouldn't it be a normal question for the man filing the tax returns for illegal gambling enterprises to try to find out whether any of the expenses charged were used for bribes?

Mr. McMAHON. Quietly, I would like to object to that question, Senator.

Mr. GIESEY. But I can give you the answer to that.

Mr. McMAHON. Senator, I have an objection.

The CHAIRMAN. If he knows what it is used for——

Mr. GIESEY. I can state definitely, Senator——

The CHAIRMAN. If it is for protection, let him tell.

Mr. GIESEY. There is no such disbursements on any books or records that I ever handled for these people that would show any contributions of any type other than to organized charity like the Red Cross, the Jewish Welfare, and they give a very large amount to charitable organizations.

Mr. HALLEY. Is that a practice they have made?

Mr. GIESEY. That is—whether it is a practice, it is probably the duty of everybody to contribute to these organizations and they go along with their share probably more than most people do.

Mr. HALLEY. How much money do they contribute to charities?

Mr. GIESEY. Well——

Mr. McMAHON. Do you want to refer to the income-tax return?

Mr. GIESEY. Refer to the income-tax return and you will see it right on there.

Mr. HALLEY. You may have the return.

Mr. GIESEY. It is very substantial.

Mr. HALLEY. I would like to have an idea of the charitable contributions. You may look at them.

Mr. GIESEY. I can recall on one or two of those returns last year that they are limited to contributions of 15 percent of their income and they exceeded that amount.

Mr. HALLEY. Who are the two?

Mr. GIESEY. I think it was Rothkopf and Kleinman.

Mr. HALLEY. And they take their deductions, of course?

Mr. GIESEY. That is right.

Mr. HALLEY. Do the corporations also contribute to charity?

Mr. GIESEY. Yes, they all do.

Mr. HALLEY. I mean——

Mr. GIESEY. There is no particular advantage now.

Mr. HALLEY. I mean the real-estate corporation?

Mr. GIESEY. No, I would say the partnerships do all the contributing because the corporation doesn't get much advantage for the contributions, so these contributions are taken by the partnership.

Mr. HALLEY. The partners then take the tax deductions?

Mr. GIESEY. That is right.

Mr. HALLEY. Do you feel that these large charitable contributions are to some extent made in order to appease any sentiment which there might be to prosecute these people for violating the law?

Mr. McMAHON. I object to that question, Senator.

Mr. GIESEY. No, sir.

The CHAIRMAN. That is a fair question. I think it is very pertinent to our inquiry.

Mr. McMAHON. Is that so?

Mr. GIESEY. If it is not a ridiculous question, it won't be a ridiculous answer. I would say that they make those contributions because they are in a community, like everybody in Cleveland probably contributes to the community fund. They are solicited and probably solicited a lot more than the average person would be solicited for contributions, and they don't just turn them down; they make the contribution.

Mr. HALLEY. They go along?

Mr. GIESEY. They go along, but whether or not they do that with any qualms of conscience or not, that is something you will have to get from them. I wouldn't have any knowledge of it.

Mr. HALLEY. Of course, if they make a charitable contribution, they can deduct that?

Mr. McMAHON. Sure, and everybody else can, too.

Mr. HALLEY. Will you please stop volunteering? You are here as a courtesy to you. If you have any objection, make it.

Mr. McMAHON. I am here with a constitutional right, to appear with this man as counsel. Let's not talk about courtesy.

Mr. HALLEY. You talk about your constitutional right. You have none whatsoever.

Mr. McMAHON. It is interesting to know that one has no constitutional rights, Mr. Halley.

Mr. HALLEY. I didn't say that. You are very inaccurate.

The CHAIRMAN. Mr. McMahon, some committees allow counsel to appear and some don't.

Mr. McMAHON. Well——

The CHAIRMAN. The usual procedure is to require counsel if they are going to appear to submit questions in writing and then the chairman will ask such questions as are submitted in writing. We tried to do it differently.

Mr. McMAHON. I see that you do.

The CHAIRMAN. And please try to cooperate. All right, Mr. Halley.

Mr. GIESEY. What was the last question?

Mr. HALLEY. You were stating and I was referring to your expert knowledge.

Mr. GIESEY. When we were rudely interrupted?

Mr. HALLEY. That's not funny.

Mr. GIESEY. As they say on the radio.

Mr. HALLEY. It is not funny. Let's get down to cases.

Mr. GIESEY. Let's get back to it because I would like to get something else done other than this.

Mr. HALLEY. Fine. If they made a payment as a bribe, that would not be deductible, is that right?

Mr. GIESEY. It would not be deductible, sir.

Mr. HALLEY. Do you—

Mr. GIESEY. It is against public policy.

Mr. HALLEY. That's right. Do you as a part of your duty in saying that they file straight income-tax returns take great care to see that no bribes have filtered in among their expenses that they charge up?

Mr. GIESEY. I can guarantee you there is no such expenditure showing on any records that I have used for income-tax purposes. That is a fact.

Mr. HALLEY. What precaution do you take to see that it is not listed under any other items that they are not in effect paying bribes and taking them as income-tax deductions?

Mr. GIESEY. Well, if they show a contribution on their returns to the community fund and that goes to some sheriff, I wouldn't have any way in the world of knowing. I take their word that it is the community fund.

Mr. HALLEY. Suppose this partner, though, who counts the cash each day in the office peels a thousand dollars off for somebody and just reports that much was cash taken in. How would you guard against that?

Mr. GIESEY. I have no guard against that.

Mr. HALLEY. Isn't it a reasonable assumption that large operations in violation of the law must do something in order to get protection?

Mr. GIESEY. I wouldn't know.

Mr. HALLEY. Well, as a former agent of the Internal Revenue Department, wouldn't you suspect that very strongly?

Mr. GIESEY. I imagine the average person would conclude that there must be such a situation but I have no knowledge of it.

Mr. HALLEY. Have you made any effort to find out? Have you just point-blank asked your clients?

Mr. GIESEY. If they ever paid any bribes?

Mr. HALLEY. Yes.

Mr. GIESEY. No; I don't think I would have the courage to ask them a question like that.

Mr. HALLEY. Thank you.

The CHAIRMAN. Well, why wouldn't you have the courage to?

Mr. GIESEY. Well, to me it would be a ridiculous question and I would probably get a ridiculous answer.

The CHAIRMAN. One matter I couldn't understand very well, Mr. Giesey, and that is about that \$7,500 loan that you made to the Desert Inn, back, I believe, in April 1949?

Mr. GIESEY. Yes, sir.

The CHAIRMAN. Who—

Mr. GIESEY. Mr. Tucker—

The CHAIRMAN. Persuaded or asked you—

Mr. GIESEY. Mr. Sam Tucker said that they were running into expenses out there and they were trying to get their finances through, to get a mortgage on it, and he asked me if I had—had any amount I could loan them, and I had \$7,500 which Mr. Tucker guaranteed I

would get back, and I sent them a check to the corporation. It was a matter of investment; I got 4½ percent on it and I got the money back. That is all there was to it.

The CHAIRMAN. Mr. Kleinman was in this corporation very heavily, wasn't he? He had plenty of money?

Mr. GIESEY. That's right.

The CHAIRMAN. I just wondered why they would pick on you, the accountant, to loan them \$7,500.

Mr. GIESEY. They probably used all the money they had.

The CHAIRMAN. Did you talk with Wilbur Clark?

Mr. GIESEY. No; I don't know Mr. Clark at all, Senator.

The CHAIRMAN. You met him when you were out there?

Mr. GIESEY. I did not meet Wilbur Clark when I was out there; no, sir.

The CHAIRMAN. What happened in that connection was that Wilbur Clark started the Desert Inn and just about finished the building, they had a hotel there or something, and he ran out of money. Then he came and got your clients to put up a lot of money, didn't he, above a million dollars?

Mr. GIESEY. From what I read in the newspapers, but that's all handled by lawyers and accountants from Los Angeles, Senator, and you can get that information from them.

The CHAIRMAN. Between that time—2 days after this Desert Inn loan of \$7,500, well, 2 days after it was paid, you deposited \$7,500 from Sam Haas?

Mr. GIESEY. That's right, a personal loan that I got from Sam Hass and I paid it back.

The CHAIRMAN. Why would you be getting a loan right after you had been paid?

Mr. GIESEY. When that check came in, I don't recall the connection there, but there was no connection between the two of them, Senator, other than I borrowed \$7,500 from Sam Haas for something, and I was buying some stock, and I had some money coming in and when it came in, I paid him back.

The CHAIRMAN. Did you borrow the \$7,500 from Haas right after you loaned the money to Desert Inn or right after it was paid back?

Mr. GIESEY. Well, whatever the record shows.

The CHAIRMAN. This notation from your records—

Mr. GIESEY. No, I think I loaned the money in April and I didn't get it back until September.

The CHAIRMAN. April 11. Anyway, the notation in quotation marks is "Sam H. X check."

Mr. GIESEY. That means I gave him my check and he would hold it. It was an exchange of checks, that's right.

The CHAIRMAN. From your records here you have "4-6-50, \$7,500, Wilbur Clark, Desert Inn." Then the next under that is "6 months loan, 4 percent." Then the next notation is "9-8-50, \$7,500, Desert Inn loan." That is apparently a repayment.

Mr. GIESEY. That's when I got the money back, that is right.

The CHAIRMAN. That was August 8 or 9?

Mr. GIESEY. September, wasn't it?

The CHAIRMAN. September 8, 1950. Now, "September 11, 1950, \$7,500, Sam H. X check."

Mr. GIESEY. Well, I was borrowing—I was going to borrow \$7,500 from Mr. Haas for some purpose that had nothing to do with the Desert Inn.

The CHAIRMAN. Is that a customary thing, that you just borrow \$7,500 off and on from Mr. Haas?

Mr. GIESEY. No, and it is very rare.

The CHAIRMAN. It would seem that if you just got \$7,500 back—

Mr. GIESEY. I didn't know I was going to get that \$7,500. I probably had his check for a couple of days and when the \$7,500 came in, I didn't expect it, when I got it back at that time, it wasn't due for another several weeks.

Mr. NELLIS. It was just coincidental that the two amounts are the same?

Mr. GIESEY. There isn't anything but coincidental, Mr. Nellis.

The CHAIRMAN. I don't seem to find many income-tax returns except on Union—whatever that company is.

Mr. McMAHON. Enterprise?

The CHAIRMAN. Union Enterprise.

Mr. McMAHON. Is it Enterprise?

Mr. GIESEY. Yes.

The CHAIRMAN. You did some work for John Angersola, didn't you?

Mr. GIESEY. As late as 1940, from what Mr. Nellis has advised me.

The CHAIRMAN. Or even in 1945?

Mr. GIESEY. I don't think so.

The CHAIRMAN. 1940?

Mr. GIESEY. 1940 I would say was the last year. I didn't think it was that late.

The CHAIRMAN. And that's about the time you went down to Florida?

Mr. GIESEY. That's right.

The CHAIRMAN. Do you remember if he was in the Walgren Hotel?

Mr. GIESEY. That I got from reading the newspapers.

The CHAIRMAN. Winney's Little Club? Do you remember that?

Mr. GIESEY. I wouldn't have any knowledge of that, Senator.

Mr. NELLIS. One more question, Mr. Chairman.

The CHAIRMAN. All right.

Mr. NELLIS. You went to the opening of the Desert Inn, you testified?

Mr. GIESEY. I was in California on another matter, and when I came back, I stopped off at Desert Inn, intending to stay there 1 day, and I stayed for the opening.

Mr. NELLIS. On the way back from California to Cleveland?

Mr. GIESEY. That's right.

Mr. NELLIS. Did you meet anyone on the plane?

Mr. GIESEY. Tod Simon, Cleveland Plain Dealer.

Mr. NELLIS. Did you know who he was?

Mr. GIESEY. I didn't know who he was. We were both taking pictures, and I met him out at the Desert Inn, and he impressed me as being a very fine gentleman.

Mr. NELLIS. That is all I have.

The CHAIRMAN. One matter about this Detroit Steel Corp. You and your wife don't seem to own stocks in very many different cor-

porations. You bought this after Dalitz and Rothkopf and Tucker and Kleinman got in. It must have been because you thought, after talking with them and going over the matter with them, it was a good——

Mr. GIESEY. Senator, you are 1,000 miles from any connection between my buying Detroit Steel stock and Morris Kleinman and those gentlemen. There is no connection whatsoever. I get my advice from brokers and not from Morris Kleinman and Rothkopf on stocks.

The CHAIRMAN. You seem to have some stock in Kinetic Manufacturing Co.

Mr. GIESEY. That was a company that went broke.

The CHAIRMAN. It went broke?

Mr. GIESEY. That is the prosperous manufacturing company that Mr. Allen referred to in the paper. They sold it at public auction in January of 1950.

The CHAIRMAN. And about five other corporations—four other corporations—but you bought stock in Detroit Steel after your clients had gotten into it?

Mr. GIESEY. Oh, no; I didn't.

The CHAIRMAN. Didn't you?

Mr. GIESEY. These clients got into that during the war. They bought that stock at \$5 a share, Senator. I wish I could have bought mine at \$5; I paid \$26 a share for mine.

The CHAIRMAN. But you knew they had an interest when you bought yours?

Mr. GIESEY. I knew they had it, but there is no connection with them owning Detroit Steel stock other than I could see they were getting large dividends from Detroit Steel and I thought that sounded like a good investment, but it certainly wasn't based on any information I got from them. As a matter of fact, that stock went way down after I bought it. It just happens right now it is up.

The CHAIRMAN. Where are the headquarters of this wire or news service; the Empire News Service?

Mr. GIESEY. It seems to me it is in the Chester-Ninth Building.

The CHAIRMAN. How long have you been doing accounting work for them; for the News Service?

Mr. GIESEY. Probably since 1945, 1946.

The CHAIRMAN. Were there three men in the News Service?

Mr. GIESEY. They have always been connected with it. Wait a minute; that was before the war when they had the Empire Advertising Co.; it was one of those companies that was——

Mr. NELLIS. It was Wexler & Miller?

Mr. GIESEY. Wexler, Miller & Kay have always been the only three connected with those services.

Mr. NELLIS. And Wexler is the man who actually owns it?

Mr. GIESEY. That is right.

Mr. NELLIS. Does Kay have any part in running the News Service?

Mr. GIESEY. No, sir; not to my knowledge.

Mr. NELLIS. At this point, Mr. Chairman, I would like to enter the record on Morris Wexler on which there was some testimony yesterday.

The CHAIRMAN. Is this from the Cleveland Police Department?

Mr. NELLIS. Yes. It is identified from the Cleveland Police Department record bureau, and it is signed by Deputy Inspector Burnette.

The CHAIRMAN. I think in fairness to Mr. Wexler it should be stated that this shows that one seems to be a traffic arrest; another one is a suspicious person, 1927, for which he was discharged. The third one seems to be in connection with wagers, occupying rooms for recording wagers, 10-25-38, no papers, arrested 11328 Euclid Avenue. The next one is aided and abetted gambling, 5-11-42, discharged, arrested at 5214 Euclid Avenue.

That is signed by Deputy Inspector Burnette.

If there are no other questions—do you have any others?

Mr. NELLIS. No other questions.

(The record of Morris Wexler, exhibit No. 51 is on file with the committee.)

The CHAIRMAN. Thank you.

Mr. McMAHON. Sir, before we leave——

The CHAIRMAN. You can have your stocks back at this time, and we will get these other papers back to you.

Mr. McMAHON. Senator, it was indicated by Mr. Halley and yourself, I think, that before we adjourned I might ask——

The CHAIRMAN. Yes. Please go right ahead.

Mr. McMAHON. Mr. Gieseey, a couple of questions.

Now, first of all, Mr. Gieseey, do you have any connection, financial or otherwise, in the management and operation of any of these gambling clubs that have been named here today?

Mr. GIESEY. I have no financial interest whatsoever in them.

Mr. McMAHON. Is it your understanding of the law that any person in the United States who makes an income, irrespective of the source, is entitled and required to file an income-tax report?

Mr. GIESEY. May I have that question again?

Mr. McMAHON. Anyone in the United States is entitled and required to file an income-tax return?

Mr. GIESEY. That is right.

Mr. McMAHON. In connection with these people, what have you done or what has your connection been with them other than filing these income-tax reports?

Mr. GIESEY. None whatsoever.

Mr. McMAHON. The information that you have given to the Senator, not the committee, today is shown upon the exhibits that you have previously brought before the committee under subpoena?

Mr. GIESEY. That's right.

Mr. McMAHON. For some time is it not true that the information that is contained upon those records has been available in the collector's internal revenue office here in Cleveland?

Mr. GIESEY. Well, they are available in the Government files of the Internal Revenue Bureau either here or in Washington.

Mr. McMAHON. You have no further information other than what is contained on those records as far as it was given to you by these people and you put it down as they gave it to you?

Mr. GIESEY. That is right.

Mr. McMAHON. You said something about the Detroit Steel Co. What is your knowledge as to the number of shares that company is capitalized at?

Mr. GIESEY. I think they have approximately 3,000,000 shares of stock outstanding.

Mr. McMAHON. And you and your wife have——

Mr. GIESEY. Have 400 shares.

Mr. McMAHON. Four hundred shares. There was something about some group of people on the chart. You didn't prepare that chart, did you?

Mr. GIESEY. No, sir. That was a revelation to me to see that.

Mr. McMAHON. On that chart it was indicated——

Mr. GIESEY. I would still like to see more of it.

Mr. McMAHON. That you had 10,000 shares?

Mr. GIESEY. That is right.

The CHAIRMAN. Not on the chart. That is what he said—that they got 10,000 shares.

Mr. McMAHON. I assumed that the chart was a break-down——

Mr. GIESEY. I haven't examined the chart.

Mr. McMAHON. Very well, Senator; now, we won't go into it. Where did you buy the Detroit Steel Co. stock?

Mr. GIESEY. Merrill Lynch, Pierce, Fenner & Beane.

Mr. McMAHON. Who are they?

Mr. GIESEY. They are a brokerage firm. It is one of the largest brokerage firms in the United States.

Mr. McMAHON. Is that stock listed on a board?

Mr. GIESEY. It is listed on the New York Stock Exchange.

Mr. McMAHON. Did you acquire any part of the 400 shares that you own from any of the people mentioned here today?

Mr. GIESEY. Definitely not.

Mr. McMAHON. You have told the committee that you have received certain fees from the persons named here today—Rothkopf, Kleinman, and the rest of them?

Mr. GIESEY. Yes.

Mr. McMAHON. Those were solely for the purpose of making out their income-tax returns or doing their accounting work?

Mr. GIESEY. In connection with the tax returns; that is right.

Mr. McMAHON. I think you testified that your total income for the partnership was \$79,000 during the course of last year; is that true?

Mr. GIESEY. That is right.

Mr. McMAHON. What was the percentage of the amount of income you received from any man mentioned here today with relation to your total partnership income?

Mr. GIESEY. I think it was around five or six thousand dollars.

Mr. McMAHON. So that it would be a very small percentage.

Mr. GIESEY. That is right.

Mr. McMAHON. Have you anything further to tell the committee?

Mr. GIESEY. No, sir; other than neither myself—and I would like to for the purposes of the newspapers to include Mr. Sauer and his wife and my wife, Senator—that, what the newspapers say to the contrary withstanding, we have never had any connection whatsoever with any company that operates slot machines. We have never inherited anything or particularly slot machines from Weisenberg or anybody else, although it is repeatedly stated in the papers that we have inherited machines from one Nate Weisenberg. If anything was ever further from the truth, that certainly is.

As you can see what the purpose of the paper would have other than trying to tear me down, for some reason, particularly that article in the Cleveland Press that stated that I have stocks worth \$180,000,

and right after it, it makes the innuendous remark "\$180,000 for the one-time Government agent who went to work for Kleinman when Kleinman got out of jail." Well, the only inference is that I just got rich overnight on these people, but if they would have—and I can't understand why a paper like the Cleveland Press could make a statement here, 5,000 shares United Aircraft Products, Inc., and right under it it states that it was listed as worth \$36 a share, when on another sheet of that same newspaper all they had to do was look at it and they would see United Aircraft Products, 2,300 shares were sold between $6\frac{1}{2}$ and $6\frac{1}{4}$ net.

All I would like to do is any inference that may have been put in the newspapers, if they are gentlemen enough to correct it, I think I at least have that coming to me.

The CHAIRMAN. Well, I am glad that you have corrected the price.

Mr. GIESEY. That's right.

Mr. HALLEY. Mr. Giesey, you are a secretary of two corporations which own real estate, as you have testified?

Mr. GIESEY. It is in the record; yes, sir.

Mr. HALLEY. And you have testified you serve as secretary in order to facilitate their business by signing various papers for them?

Mr. GIESEY. That's right. I would like——

Mr. HALLEY. And in each of these cases the corporation is in the business of renting its premises to a gambling operation?

Mr. GIESEY. That there is no question about.

Mr. HALLEY. And in each of these cases you have actually been on the premises of the gambling operation and seen it?

Mr. GIESEY. That is right.

Mr. HALLEY. And in each of these cases you well know that the gambling operation is illegal?

Mr. GIESEY. That is right.

Mr. HALLEY. Under those circumstances, is it your contention that you do nothing to aid and abet those illegal gambling operations?

Mr. GIESEY. That I state I do not. I prepare their income-tax returns, which is an obligation everybody has to the Government, to file income-tax returns on the income they receive. That is what I do.

Mr. HALLEY. The secretary of a corporation is an important officer of a corporation?

Mr. GIESEY. That is right.

Mr. HALLEY. A corporation has no existence except——

Mr. GIESEY. What good is going to be served by us taking up the time of this committee in arguing? What do you want me to admit?

Mr. HALLEY. I want you to admit that you have actively helped in aiding and abetting the operation of these gambling joints.

Mr. GIESEY. I filed their tax returns, and if that is aiding and abetting gambling, then I have done that.

Mr. HALLEY. You did something else; you acted as a secretary of a——

Mr. GIESEY. A corporation that rented property.

Mr. HALLEY. And you were fully aware of what you were doing; you didn't do it without any knowledge?

Mr. GIESEY. I am old enough to know what I am doing.

Mr. HALLEY. Your counsel has brought out that you did all this for just \$5,000 a year out of a gross income of some \$79,000; is that right?

Mr. GIESEY. That is what he said; yes.

Mr. HALLEY. I am curious to know why you would be willing to help this gang operate in so many different places illegally for so little money.

Mr. McMAHON. I object to that, Senator.

The CHAIRMAN. I think there is a mistake about your \$5,000. I think Mr. Gieseey testified he got \$5,000 out of these two Kentucky places. But there is the Pettibone Club, the Colony Club, and several others.

Mr. GIESEY. I think that is included in there.

Mr. McMAHON. I object. May I be heard?

The CHAIRMAN. Will you ask the question, Mr. Halley?

Mr. HALLEY. I am very curious to know why you are willing, a former agent of this Government with a background of which I presume you were proud, the man who had succeeded in putting Kleiman in jail, to lend yourself to these illegal operations for what you now come in and say is chicken feed.

Mr. McMAHON. I want to be heard on that.

The CHAIRMAN. All right. You can be heard.

Mr. McMAHON. There is a presumption there that the mere fact that you make out an income-tax return for someone who is engaged in some illegal enterprise, that you are aiding and abetting, and that is not true.

Mr. HALLEY. Do you insist on forgetting that he is secretary to these corporations?

Mr. McMAHON. He is a secretary to a corporation that owns some land.

Mr. HALLEY. Two corporations.

Mr. McMAHON. What does the other one own?

Mr. HALLEY. Land.

Mr. McMAHON. All right. Is that gambling to own land?

Mr. HALLEY. Shall we swear you in? I will ask you a few questions.

Mr. McMAHON. Fine. Do you want to ask me some questions?

Mr. HALLEY. Yes.

Mr. McMAHON. Go right ahead, Mr. Halley.

The CHAIRMAN. Sit down. We are getting along all right.

The question is, Is there any motive other than the little money you got out of these various illegal transactions for which you filed income tax for your participation in them?

Mr. GIESEY. No, sir. They are clients, and I have been associated with them this long period. If they want to get anybody else to prepare their income-tax returns, they can get them, but as long as they ask me to prepare the tax returns I think I will prepare the tax returns.

Mr. HALLEY. Is that little \$5,000 item you mentioned worth the amount of work you put in?

Mr. GIESEY. For the amount of time involved in it, yes; it is on an hourly basis.

Mr. HALLEY. Does it give you a certain prestige with certain portions of the community to work for these fellows?

Mr. GIESEY. I think that is a little ridiculous, Mr. Halley.

Mr. HALLEY. I don't know. Maybe it is and maybe it isn't.

Mr. GIESEY. Maybe it gives you prestige to represent this committee here.

Mr. HALLEY. I think it does.

Mr. GIESEY. It should.

Mr. HALLEY. Do you like to go out, for instance, to the Desert Inn and be one of the people who knows the managers?

Mr. GIESEY. I don't do that.

Mr. HALLEY. You were there at the opening.

Mr. GIESEY. I stopped there at the opening; and if it hadn't been for Mr. Simon, probably no one would ever have known I was.

Mr. HALLEY. And when you go down to Newport and the other places in Kentucky, do you have an expense account, or do you act like a big shot? What is the inducement to you? Why do you do these things?

Mr. GIESEY. For the almighty dollar. The same as you are doing, the job you are doing right now, and I would like to have one thing—

Mr. HALLEY. I accept that answer.

Mr. GIESEY. That is a good answer, isn't it?

Mr. HALLEY. It is an answer.

Mr. GIESEY. We are talking about types of criminals here. I am more concerned with the type of criminal that affects you and affects me and my future, and that is the war criminal that is going to get us in another war.

These fellows have their places, and you have a duty to stamp them out, but God knows there is a worse criminal in this world than these fellows we are talking about here, and that is the criminals that are getting us into another war right now, and I wish we could all do something about that.

We all have our own job.

Mr. HALLEY. At the moment mine seems to be that of janitor.

Mr. GIESEY. I am still an auxiliary officer in the Artillery Reserve, and I know what it means to get in another war. When I got in that last war I give up a large part of my business, which was a substantial—

Mr. HALLEY. Well—

Mr. McMAHON. He started to ask him opinions. Let him get all his opinions.

The CHAIRMAN. Under the law of most States, I think in order to be an officer of a corporation you have to have at least one share of stock.

Mr. GIESEY. That is not true.

Mr. McMAHON. That is not true. That is not true in Ohio.

The CHAIRMAN. I am asking the witness.

Mr. GIESEY. It is not true, to my knowledge.

The CHAIRMAN. One of these is a Kentucky corporation, I believe, isn't it?

Mr. GIESEY. Well, then, I am not the secretary because I have no stock in the company, Senator.

The CHAIRMAN. Do you have a nominal share?

Mr. GIESEY. No; I do not even have a nominal share.

The CHAIRMAN. That is what I wanted to ask you about.

Mr. GIESEY. That's right. I don't.

Mr. NELLIS. Do you know Francis Weisenberg?

Mr. GIESEY. I do not, because Francis has been dead. I did know Francis Weisenberg.

Mr. NELLIS. That is what I mean.

Mr. GIESEY. Yes.

Mr. NELLIS. Did you and your partner and someone else purchase an interest that he had through a probate court proceedings?

Mr. GIESEY. Now you are going to open up something else that I would be very glad to go into.

Mr. NELLIS. Will you explain that?

Mr. GIESEY. Yes, I certainly will, for the benefit of the Cleveland Press and probably the Plain Dealer, too.

When I was in the Army they started a music-box business in Phoenix, Ariz. I was asked if I wanted to invest a thousand dollars or \$1,500, whatever it was.

Mr. NELLIS. By whom?

Mr. GIESEY. By Mr. Haas. It is the only time I have ever been in connection with any business that he has ever asked me, so I said, "Yes, I would like to."

So not being here, it was put in my wife's name, and it was strictly an operation of a juke box where you go into a little restaurant and you put in a nickel and you get a piece of music out.

Mr. NELLIS. Is that Melody Music Co.?

Mr. GIESEY. That is Melody Music Co., and there was another one formed in Denver. I think it was called Century, and that one I think Mr. Sauers' wife became a partner, and we each had about a 5-percent interest in it.

There was another one in Colorado Springs that I had no connection with whatsoever.

Mr. NELLIS. Was that Modern?

Mr. GIESEY. I think that was Modern.

When Francis Weisenberg suddenly died, his being a partner in those partnerships, it was a legal procedure to go into the probate court as a surviving partner, and those surviving partners bought out the 5 or 6 percent of interest that Francis Weisenberg had in those companies that operated music boxes.

Somehow or other, when they listed all of the assets of those companies, which some appraiser did a good job, I think it was the one at Colorado Springs had a couple of slot machines listed as the assets. Now, out of several hundred thousand dollars worth of juke boxes that they had, there might have been a hundred or two hundred dollars worth of slot machines. So all that the newspapers ever said anything about those operations out there is that they were slot-machine operations.

Mr. NELLIS. Well, there were slots in it, weren't there?

Mr. GIESEY. The inventory showed up those slots in Colorado Springs, but I don't think they ever operated a slot-machine company.

Mr. NELLIS. You and your partner Sauers and someone else purchased an interest, didn't you? How many people bought?

Mr. GIESEY. There was at least 10 or 12 partners in that.

Mr. NELLIS. Do you recall their names?

Mr. McMAHON. I think they are listed in the probate court.

Mr. GIESEY. The probate court record will show every name.

I think it was Morris Haas, a fellow by the name of Hines, most of them were out West; a fellow by the name of Harry Bowes. I think he was in it.

I had a 5-percent interest and ended up with a 5½-percent interest. Mr. NELLIS. Did you share that with anyone?

Mr. GIESEY. That was in my wife's name. It was a partnership.

The CHAIRMAN. Who else was in it? You have got Haas and Bowes.

Mr. GIESEY. Mr. McGinty had, I think, 4 or 5 percent in it.

Mr. NELLIS. Thomas McGinty?

Mr. GIESEY. Thomas McGinty in one of them—I don't know which one. Maybe I was in one that he was in. I don't recall.

Dick Moriarity, an attorney, had an interest, and Morris C. Haas, he had an interest.

Mr. NELLIS. Who is he, sir?

Mr. GIESEY. He is a brother of Sam Haas.

And Duddy. There is some people in there by the name of Duddy. I think they are related some way to Mr. McGinty, but that operation was 100 percent legitimate juke-box operation.

The CHAIRMAN. Let's get the other name of the partners. Who else?

Mr. GIESEY. We got out of that in 1946, Senator. I don't remember who the others were.

The CHAIRMAN. Did Kleinman have any?

Mr. GIESEY. No. Kleinman, Rothkopf, Dalitz, Tucker, Miller—none of those had any interest whatsoever in it.

Mr. NELLIS. Who was Francis Weisenberg?

Mr. GIESEY. Francis Weisenberg was Nate Weisenberg's son.

Mr. NELLIS. Who was Nate Weisenberg?

Mr. GIESEY. Nate Weisenberg was a man who was suddenly killed here.

Mr. NELLIS. What was his business?

Mr. GIESEY. He was in the slot-machine business. I met Nate Weisenberg when I was a Government agent when I checked Nate's tax return.

Mr. NELLIS. What happened to him?

Mr. GIESEY. He was murdered.

Mr. NELLIS. When?

Mr. GIESEY. I was in the Army so I don't know when it was. Probably 1944, I think. 1943 or 1944.

Mr. NELLIS. And Francis Weisenberg, was he in that business with his father?

Mr. GIESEY. In the slot machine—no, I don't think so. Francis was just a young kid.

Mr. NELLIS. When did he die?

Mr. GIESEY. I think Francis must have died in probably 1946.

Mr. NELLIS. From natural causes?

Mr. GIESEY. Yes. He died of a heart attack. Just a young kid, I think 33 or 34 years old.

Mr. NELLIS. I have no further questions.

The CHAIRMAN. Do you still have this interest?

Mr. GIESEY. No. We sold that out in 1946.

The CHAIRMAN. All right. Anything else? Mr. McMahon is there anything you want to ask at this time?

Mr. McMAHON. I don't think so, Senator. Let's go to lunch.

The CHAIRMAN. All right. Good idea.

The committee will stand in recess until 2 o'clock at which time we will start promptly.

(Thereupon, at 12:30 p. m., January 18, 1951, the hearing was recessed until 2 p. m. of the same date.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

Mr. Richard Moriarity will be our next witness.

Do you solemnly swear the testimony you shall give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MORIARITY. I do.

The CHAIRMAN. All right, gentlemen. Let's get down to the essential matters here.

TESTIMONY OF RICHARD J. MORIARITY, ATTORNEY, CLEVELAND, OHIO

Mr. NELLIS. Will you state your name, please?

Mr. MORIARITY. Richard J. Moriarity.

Mr. NELLIS. What is your occupation, sir?

Mr. MORIARITY. Attorney.

The CHAIRMAN. Let's get the picture taking over as soon as possible, gentlemen.

Mr. MORIARITY. Attorney at law.

Mr. NELLIS. And you represent Mr. Thomas J. McGinty?

Mr. MORIARITY. I have.

Mr. NELLIS. In what connection, sir?

Mr. MORIARITY. Well, in some of his businesses, looking after—I can hardly see, lights blinding me.

In looking after some real-estate matters and things of that kind, investments that he had, sir.

Mr. NELLIS. What about the Mounds Club? Did you ever look after that?

Mr. MORIARITY. I represented the Mounds Club in some litigation.

Mr. NELLIS. What kind of place was it?

Mr. MORIARITY. It was a dining and—they had a dining room, dance hall, things of that kind.

Mr. NELLIS. No gambling?

Mr. MORIARITY. I am not at liberty to answer that question, Mr. Nellis. I claim it is privileged.

The only time I was at the Mounds Club was on business, and I claim the privilege of an attorney to refuse to answer the question.

The CHAIRMAN. Mr. Moriarity, what you have seen there is what you have seen with your own eyes as a citizen, but I take it there is no real dispute about what the Mounds Club was.

Mr. HALLEY. Mr. Moriarity, you know, any communication that is disclosed to others as well as to you is not privileged. That is elementary law, so please don't press that point.

Mr. MORIARITY. Well, I am not going to press any point, Mr. Halley; I am just saying that I think it is a privilege of counsel and you can't put me on the spot in things of that kind, because the only times I was at the Mounds Club, I was there purely on business.

Mr. HALLEY. Well, did you see gambling there?

Mr. MORIARITY. I refuse to answer that question.

Mr. HALLEY. Well, you know you have no right to refuse to answer that.

Mr. MORIARITY. I claim the privilege of an attorney to refuse to answer the question.

Mr. HALLEY. An attorney has no right to refuse to answer what he sees in a public place. That is not a privileged communication.

Mr. MORIARITY. Well, if I am there on business, Mr. Halley, that is a privilege.

Mr. HALLEY. It doesn't matter what you claim.

Mr. MORIARITY. I refuse to answer the question on the grounds of privilege.

Mr. HALLEY. I hereby state to you that your claim of privilege is completely erroneous, and you as a lawyer must know it, and that I am going to ask the chairman to instruct you to answer.

Mr. MORIARITY. I say that after all I am an attorney, Senator, and—

The CHAIRMAN. Mr. Moriarity, is this some information that was conveyed to you by your client? I mean, some document, or is it something that you just walked in the place and saw?

Mr. MORIARITY. It was conveyed to me by my client.

The CHAIRMAN. No; I mean the sight of what you saw when you went to some place?

Mr. MORIARITY. No; I saw things, certainly, but I was out there, I say, on business, and I claim that anything in connection with that is privileged.

The CHAIRMAN. Well, Mr. Moriarity, it is of course the general rule that a Senate investigating committee doesn't have to recognize the matter of privilege but we try to go along and recognize it wherever we think that it is properly asserted.

Mr. MORIARITY. I don't think you have any right to put any lawyer on the spot by asking him to divulge his client's interests for something that he himself may claim is privileged.

The CHAIRMAN. But when you walk into a place and what you see, the room that you see, or whether it was an eating place or gambling place or some other kind of place, I really don't see how you have any privilege on that.

Mr. MORIARITY. Well, don't you think, Senator, as a matter—

The CHAIRMAN. Mr. Moriarity, in order to get the matter settled, I have to direct that you answer the question as to whether you saw gambling at the Mounds Club.

Mr. MORIARITY. I refuse to answer the question.

The CHAIRMAN. Very well.

Mr. MORIARITY. On the ground of privilege.

Mr. NELLIS. Did you ever meet a man by the name of Fred Ridge?

Mr. MORIARITY. Ridge?

Mr. NELLIS. Yes.

Mr. MORIARITY. No; I did not, not to my knowledge.

Mr. NELLIS. Perhaps I can refresh your recollection. Did you ever meet him in Mr. McGinty's office?

Mr. MORIARITY. Not to my knowledge, no. Maybe—I wouldn't—I wouldn't say "No," but I have met quite a number of people that I wouldn't have any recollection at all of who they would be.

Mr. NELLIS. Your answer is, you don't recollect it, is that right?

Mr. MORIARITY. That's right, that's true.

Mr. NELLIS. That is your best answer?

The CHAIRMAN. Can you describe him? Maybe if you described him, he will remember having met him.

Mr. NELLIS. He is about 5 feet 8, has dark hair, sort of quiet voice, is from Geauga County, from Chagrin Falls, Ohio. Do you know him?

Mr. MORIARITY. I will say very frankly to you, Mr. Nellis, I have absolutely no recollection of meeting Mr. Ridge. It might be possible that I did, but I wouldn't say that I did or I didn't.

Mr. NELLIS. Were you ever the statutory agent for a company entitled Brady Amusement Co.?

Mr. MORIARITY. I was.

Mr. NELLIS. What was the business of that company?

Mr. MORIARITY. It was an amusement park.

Mr. NELLIS. What did they operate there?

Mr. MORIARITY. They had all kinds of park entertainment. They had, oh, rides of different kinds and everything of that kind.

Mr. NELLIS. Did they have any games?

Mr. MORIARITY. I don't know. I was there, let me make it plain. I was at the Brady Park Amusement Co. on the night it opened up. That must be 9 or possibly I would say 8 or 9, maybe 10 years ago.

Mr. NELLIS. Is that near the Ravenna Arsenal? Is that the same place?

Mr. MORIARITY. I think it was. It was down at the Brady Lake Amusement Co. was it—

Mr. NELLIS. Portage—

Mr. MORIARITY. Portage County.

Mr. NELLIS. Portage County.

Mr. MORIARITY. How close it is to the Arsenal, I don't remember.

Mr. NELLIS. Did you ever hear that in 1948 they had quite a large number of slot machines?

Mr. MORIARITY. I heard that; yes.

Mr. NELLIS. Did you investigate?

Mr. MORIARITY. What?

Mr. NELLIS. Did you investigate?

Mr. MORIARITY. No, I didn't, no.

Mr. NELLIS. You were their statutory agent?

Mr. MORIARITY. That's right.

Mr. NELLIS. Were you an incorporator?

Mr. MORIARITY. I was.

Mr. NELLIS. Was the land owned by one Henry Seltzer? Do you recall that?

Mr. MORIARITY. I think it was and then I believe it was turned over to the corporation. I am not sure of that.

Mr. NELLIS. All right. Who were the incorporators in that venture?

Mr. MORIARITY. I don't think I can remember that. If you have it you could refresh—

Mr. NELLIS. One of your partners perhaps?

Mr. MORIARITY. No, I had no partners.

Mr. NELLIS. Ralph Vince?

Mr. MORIARITY. He was only an office associate. He was in the office. I think maybe the girls in the office generally——

Mr. NELLIS. He was one of the incorporators?

Mr. MORIARITY. It might be.

Mr. NELLIS. Francis Duffy?

Mr. MORIARITY. He used to be in the office.

Mr. NELLIS. Have you ever received any income from any illegal enterprise?

Mr. MORIARITY. I have not. I never had any interest, not even the smallest fraction of interest in any illegal enterprise. Let me make that statement right now.

Mr. NELLIS. Have you ever represented any other gambling casinos besides the Mounds Club?

Mr. MORIARITY. Yes, I did. Back—this was purely in a legal way, what was it, Arrow Club at one time?

Mr. NELLIS. What was that, sir?

Mr. MORIARITY. Was I believe the predecessor to the so-called Pettibone Club.

Mr. NELLIS. You never represented the Pettibone Club?

Mr. MORIARITY. I have not, and my activities in connection with representing the Arrow Club I think I handled—they had three or four, maybe a half dozen, I wouldn't say, losses that came into the courts. They called me and asked me to defend them.

On top of that, I can't remember exactly the time but it was maybe 9 or 10 years ago they had cars going out to the club. This was before the war, as I remember it.

Mr. NELLIS. Who were the partners in the Arrow Club?

Mr. MORIARITY. I don't know, I don't know. They sent me this business. They had a bad accident and one of the drivers, he was indicted for manslaughter, and there were quite a number of personal——

Mr. NELLIS. Did you ever defend the club against any suits brought by people who lost money there gambling?

Mr. MORIARITY. I think I had about maybe 6 or 8, maybe 6. I would say that, and I think—I never went in to defend any of them, now. They were settled out or dismissed. I don't remember at any time of ever appearing as counsel in any of our courts here as representing them.

Mr. NELLIS. That is all I have.

Mr. MORIARITY. I did handle and settle some of them.

Mr. NELLIS. That is all I have.

The CHAIRMAN. Mr. Halley?

Mr. HALLEY. No questions.

Mr. MORIARITY. Let me ask, Senator, so—may I say something here at this time?

Mr. Nellis just asked me a question and it was with relation to any interest that I ever had in any gambling enterprise.

Now, the Cleveland newspapers here have gone out of their way a couple—on several occasions to point to some music companies that I had, I believe, something like a sixteenth or an eighteenth or one-twentieth interest in. These were organized, and they were——

The CHAIRMAN. That was Melody Music Co. and Modern Music Co.?

Mr. MORIARITY. That's right, and I want to say here to this committee that if there were any slot machines there—I think I was in

one company, and I never knew at any time that there were any slot machines.

If I wanted to go in and get an investment in a slot machine, I wouldn't have to go out to Denver or out to Colorado Springs to get it. I did have, I think, a one-twentieth interest. I believe that was it. It cost a thousand dollars; and I wound up, I think, losing the bigger portion of it.

Mr. NELLIS. You represented places where there were slot machines in use; haven't you?

Mr. MORIARITY. I have; yes.

Mr. NELLIS. And other gambling devices; isn't that right?

Mr. MORIARITY. Yes. I have represented some places.

Mr. NELLIS. Dice tables?

Mr. MORIARITY. Yes.

Mr. NELLIS. Craps?

Mr. MORIARITY. That's true.

Mr. NELLIS. Same thing; isn't it?

Mr. MORIARITY. Dice and craps?

Mr. NELLIS. Yes.

Mr. MORIARITY. Yes; I guess it is. It all depends on how you shoot them.

Mr. NELLIS. Chuck-a-luck.

Mr. MORIARITY. I think so.

Mr. NELLIS. Roulette?

Mr. MORIARITY. I believe so.

Mr. NELLIS. Horse boards, betting information from all the tracks?

Mr. MORIARITY. I don't know anything about the horse boards. I never had any luck on the horses, myself.

The CHAIRMAN. Mr. Moriarity, did you represent the Melody Music Co.?

Mr. MORIARITY. Did I represent them?

The CHAIRMAN. Yes, as an attorney.

Mr. MORIARITY. No; I did not, Senator.

The CHAIRMAN. Never at any time?

Mr. MORIARITY. They were out in—what they were, as it was represented to me, they were routes, so-called routes that had music boxes. They were recording machines. They were particularly popular at the time that we brought into the thing or made this—that the syndicate organized, because they were out there in the vicinity of places where they had Army camps and that. The boys had no place to go.

They put these into the restaurants and into the cafes, and things of that kind.

The CHAIRMAN. It did turn out that they did have a good many slot machines.

Mr. MORIARITY. I don't know; not to my knowledge.

The CHAIRMAN. Its inventory file showed that, I think: didn't it?

Mr. MORIARITY. I am confused myself on that. Now, Mr. Weisenberg had some slot machines here, and when he died he had a part of one of these music companies. Whether it was the same one that I was in, I don't know, and when he died his estate, or whatever interest he had in one or two, whatever the number of these music companies he had, went to his son.

I never paid—I understand that later there was a purchase back from the Weisenberg estate by some of the partners. I didn't participate in that because I never put up a dime outside of the original eight or nine thousand dollars that I put in.

The CHAIRMAN. When did you stop representing the Arrow Club? When it became the Pettibone Club?

Mr. MORIARITY. The Arrow Club closed during the course of the war, and after that there was some reorganization and that ended that. I never represented them after that.

That must have been 8 or 9 years ago.

The CHAIRMAN. Who employed you to represent the Arrow Club, Mr. Moriarity?

Mr. MORIARITY. You mean to take care of these lawsuits?

The CHAIRMAN. Yes.

Mr. MORIARITY. I am not sure whether it was Mr. Gaylord—he was in there—or whether it was a Mr. Ward. I am not sure.

The CHAIRMAN. It would be one or the other of them?

Mr. MORIARITY. I think so.

The CHAIRMAN. For how long a period of years did you represent the Arrow Club?

Mr. MORIARITY. Oh, I wouldn't say that these lawsuits and this stuff took much more than 2 or 3 years, Senator. Of course, down here in our courts these lawsuits sometimes pend for 2 or 3 years, and when they were filed and an answer was filed, it might have extended over that period of time before they were reached or got out of the way or settled.

The CHAIRMAN. Did you go out to Nevada to the opening of the Desert Inn?

Mr. MORIARITY. I didn't have that pleasure.

The CHAIRMAN. You weren't there?

Mr. MORIARITY. No; I was not. I have never been out there.

The CHAIRMAN. You have never been out to the Desert Inn?

Mr. MORIARITY. No.

The CHAIRMAN. Anything else?

Mr. NELLIS. Nothing else.

Mr. MORIARITY. Is Mr. McGinty to be the next witness?

Mr. NELLIS. Yes, he is.

Mr. MORIARITY. May I stay because I am going to represent him?

The CHAIRMAN. Sure.

All right. Let's get Mr. McGinty in.

Mr. McGinty, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MCGINTY. Yes; I do.

TESTIMONY OF THOMAS J. MCGINTY, CLEVELAND, OHIO., ACCOMPANIED BY RICHARD J. MORIARITY, ATTORNEY, CLEVELAND, OHIO

The CHAIRMAN. All right, Mr. Nellis.

Mr. NELLIS. Will you state your name, please?

Mr. MCGINTY. Thomas McGinty.

Mr. NELLIS. Is it Thomas J.?

Mr. MCGINTY. Yes.

Mr. NELLIS. Where do you live?

Mr. MCGINTY. 18200 South Park Boulevard.

The CHAIRMAN. Mr. McGinty, you will have to speak up a little louder. I can't quite hear you. What was that address?

Mr. MCGINTY. 18200 South Park Boulevard.

The CHAIRMAN. All right.

Let the record show that Mr. Richard Moriarity is appearing as Mr. McGinty's attorney.

All right, Mr. Nellis.

Mr. NELLIS. Were you ever arrested, Mr. McGinty?

Mr. MCGINTY. Yes; I was.

Mr. NELLIS. In connection with what?

Mr. MCGINTY. Prohibition.

Mr. NELLIS. Did you serve any time?

Mr. MCGINTY. Yes.

Mr. NELLIS. How much?

Mr. MCGINTY. Six months.

Mr. NELLIS. That was in connection with a conspiracy to violate the National Prohibition Act?

Mr. MCGINTY. That's right.

Mr. NELLIS. Were you a partner in the Mounds Club?

Mr. MCGINTY. Yes.

Mr. NELLIS. Who else was in that with you?

Mr. MCGINTY. Mr. Jones.

Mr. NELLIS. Cornelius Jones?

Mr. MCGINTY. Yes.

Mr. NELLIS. Were you a partner in the Beverly Hills Country Club?

Mr. MCGINTY. I had a very small interest.

Mr. NELLIS. Who was in that with you?

Mr. MCGINTY. I couldn't tell you everyone that was in there.

The CHAIRMAN. Everyone?

Mr. MCGINTY. I couldn't tell you.

The CHAIRMAN. Oh.

Mr. NELLIS. How did you get into it, Mr. McGinty?

The CHAIRMAN. Let's read some names and see if he knows them.

Mr. MCGINTY. From Mr. Tucker.

Mr. NELLIS. Sam Tucker?

Mr. MCGINTY. That's right.

Mr. NELLIS. Samuel Tucker was a partner there?

Mr. MCGINTY. Yes.

Mr. NELLIS. Moe Dalitz?

Mr. MCGINTY. Yes.

Mr. NELLIS. Louis Rothkopf?

Mr. MCGINTY. Yes.

Mr. NELLIS. Morris Kleinman?

Mr. MCGINTY. To my knowledge, yes.

Mr. NELLIS. Charles Polizzi?

Mr. MCGINTY. I don't know.

Mr. NELLIS. Did you ever meet him?

Mr. MCGINTY. Charles Polizzi?

Mr. NELLIS. Yes.

Mr. MCGINTY. Charles——

Mr. NELLIS. Charles (Chuck) Polizzi?

Mr. MCGINTY. Yes; I met him.

The CHAIRMAN. Was he one of your associates in that club?

Mr. MCGINTY. I don't know who was in there.

Mr. NELLIS. Your testimony is you don't know any of these people?

Mr. MCGINTY. I don't know who the partners were in there.

The CHAIRMAN. Are these you testified about, do you know whether they were partners or not?

Mr. MCGINTY. I couldn't say for sure.

Mr. NELLIS. How about John Croft? Do you know him?

Mr. MCGINTY. Yes.

Mr. NELLIS. He was a partner in that; was he not?

Mr. MCGINTY. I wouldn't know for sure.

Mr. NELLIS. Harry Potter?

Mr. MCGINTY. I don't know him.

Mr. NELLIS. Mitchell Myer?

Mr. MCGINTY. I don't know him.

Mr. NELLIS. Samuel Schraeder?

Mr. MCGINTY. I met Mr. Schraeder once.

Mr. NELLIS. Marion Brink?

Mr. MCGINTY. Don't know her.

Mr. NELLIS. Jimmy Brink?

Mr. MCGINTY. Don't know him.

Mr. NELLIS. Is it your testimony you were in business with these people and didn't know any of them?

Mr. MCGINTY. That is right.

Mr. NELLIS. Now, were you a partner in the Lookout House, Mr. McGinty?

Mr. MCGINTY. No, sir.

Mr. NELLIS. You were not? Are you a partner in the Desert Inn at Las Vegas, Nev.?

Mr. MCGINTY. Yes, sir.

Mr. NELLIS. Who with?

Mr. MCGINTY. Wilbur Clark, Mr. Dalitz, Mr. Kleinman, Mr. Tucker.

Mr. NELLIS. Now, when did you open the Mounds Club?

Mr. MCGINTY. About 16 years ago.

Mr. NELLIS. What kind of place was it?

Mr. MCGINTY. I thought it was a nice place.

Mr. NELLIS. Pardon me?

Mr. MCGINTY. What kind of place was it?

Mr. NELLIS. Yes. Describe it.

The CHAIRMAN. A big place, a little place?

Mr. MCGINTY. A small place, seat about 200.

Mr. NELLIS. And you had gambling there; is that right?

Mr. MORIARTY. I object to that question.

The CHAIRMAN. Well, then, tell what the operation there was.

Mr. NELLIS. What did you have there?

Mr. MCGINTY. Well, I was interested in the performers, the stars. I hired all them. And the dining room.

Mr. NELLIS. Would you speak up, Mr. McGinty? I can barely hear you.

Mr. MCGINTY. I said that I hired the performers, the entertainers, and in charge of the dining room.

Mr. NELLIS. Did you have anything to do with the gambling there?

Mr. MORIARTY. I object to that, Senator.

The CHAIRMAN. Your objection is overruled.

Mr. MORIARITY. Then I say this: My objection chiefly to that is that the operation of the Mounds Club was a local affair, having nothing to do in any way, shape, or form with anything involved in interstate commerce; and, as such, I am objecting upon that ground.

The CHAIRMAN. Well, I think the proof shows that there are some people in the Mounds Club operating in other places, too, outside of the State of Ohio.

Mr. MORIARITY. I am perfectly willing for him to answer that question; but, if the objection is overruled, I am going to advise Mr. McGinty that he has the right, on constitutional grounds, to refuse to answer if he so desires.

The CHAIRMAN. All right. The question was whether, among other operations of the Mounds Club, there were some types of gambling?

Mr. MCGINTY. I am going to stand on my constitutional rights.

The CHAIRMAN. I will direct you to answer the question, Mr. McGinty.

Mr. MORIARITY. Refuse to answer.

Mr. MCGINTY. I refuse to answer.

Mr. NELLIS. Did they have games of all kinds at the Mounds Club?

Mr. MCGINTY. Keno.

Mr. NELLIS. What else?

Mr. MORIARITY. I object. Refuse to answer that.

Mr. NELLIS. Do you have an objection, Mr. Moriarity?

Mr. MORIARITY. Pardon me. Yes, I object.

Mr. NELLIS. Upon what grounds?

Mr. MORIARITY. Upon the same grounds, constitutional grounds.

The CHAIRMAN. The question was, They have games of Keno and what other type of game?

Mr. MORIARITY. Well, my objection, Senator, if I may, is upon the same ground that it is not involved in interstate commerce.

Mr. NELLIS. Do they have slot machines there?

The CHAIRMAN. All right. I direct the witness to answer the question.

Mr. MCGINTY. I refuse to answer.

Mr. NELLIS. Do they have slot machines there?

Mr. MCGINTY. I stand on my constitutional rights.

The CHAIRMAN. You are directed to answer that, too.

Mr. NELLIS. Did you have dice tables there, too?

Mr. MCGINTY. No.

The CHAIRMAN. Just a minute. Do you refuse to answer?

Mr. NELLIS. I am sorry.

Mr. MCGINTY. Yes, Senator.

Mr. NELLIS. Were you in the Pettibone Club?

Mr. MCGINTY. Lately?

Mr. NELLIS. Well, when? Starting when?

Mr. MCGINTY. Oh, I wasn't in—

Mr. MORIARITY. Well, wait, Mr. Nellis—

Mr. NELLIS. When did you have an interest in the Pettibone Club? Beginning when?

Mr. MCGINTY. Oh, it must be 10 years ago.

Mr. NELLIS. About 1941; is that right?

Mr. MCGINTY. Something like that.

Mr. NELLIS. And you maintain your interest there?

Mr. McGINTY. No, sir.

Mr. NELLIS. When did you give it up?

Mr. McGINTY. About 6 or 7 years ago, when it was closed.

Mr. NELLIS. When it was closed?

Mr. McGINTY. Yes.

Mr. NELLIS. Who were your partners in the club?

Mr. McGINTY. When I was in there?

Mr. NELLIS. Yes.

Mr. McGINTY. Mr. Gaylord and Mr. Ward. That is all I remember. It is so long ago.

Mr. NELLIS. You are a partner in the Desert Inn; is that right?

Mr. McGINTY. Yes, sir.

Mr. NELLIS. And when did you go into that?

Mr. McGINTY. Last April or May.

Mr. NELLIS. How much money did you put into it?

Mr. McGINTY. \$150,000.

Mr. NELLIS. Was that all in cash?

Mr. McGINTY. Yes, sir.

Mr. NELLIS. How did you pay it over, and to whom?

Mr. McGINTY. To the bookkeeper.

Mr. NELLIS. Whose bookkeeper?

Mr. McGINTY. The bookkeeper at the Desert Inn.

Mr. NELLIS. And you gave it to him in cash, you say?

Mr. McGINTY. Checks and cash.

Mr. NELLIS. Checks and cash.

Now, aren't all these enterprises we have been talking about gambling casinos? Are they all gambling casinos?

Mr. McGINTY. Oh——

Mr. NELLIS. Well, aren't they?

Mr. McGINTY. I'll say the Desert Inn is.

Mr. NELLIS. You say the Desert Inn is, but the others aren't or weren't? Is that your testimony?

Mr. McGINTY. No, I won't say that.

Mr. NELLIS. Well, what is your testimony?

Mr. McGINTY. I refuse to answer.

The CHAIRMAN. You have already discussed each one of them separately.

Mr. NELLIS. Now, do you know Fred W. Ridge, of Route 1, Chagrin Falls, Ohio?

Mr. McGINTY. I have heard that name.

Mr. NELLIS. And in what connection did you hear it?

Mr. McGINTY. I don't know. I think he was a trustee or something.

Mr. NELLIS. Of Bainbridge; isn't that right?

Mr. McGINTY. That is right.

Mr. NELLIS. And at one time he was a clerk of Bainbridge?

Mr. McGINTY. That is right.

Mr. NELLIS. Do you recall a time when you called Mr. Ridge into your office here in Cleveland?

Mr. McGINTY. No, I don't.

Mr. NELLIS. Early in the year of 1948?

Mr. McGINTY. No, I don't.

Mr. NELLIS. Did you call Mr. Ridge on the telephone, and identify yourself as Thomas J. McGinty?

Mr. McGINTY. I may have. I am not sure.

Mr. NELLIS. And did you direct him to come to your office in the NBC Building in Cleveland, Ohio?

Mr. McGINTY. No.

Mr. NELLIS. Does that refresh your recollection?

Mr. McGINTY. I don't know, if that is so or not.

Mr. NELLIS. And did Mr. Ridge come in that afternoon, early in the year 1948, probably in the spring? And did your secretary announce——

The CHAIRMAN. Well, let's see whether he came in? Let's get the answer.

Mr. McGINTY. Yes; I think he did come in.

Mr. NELLIS. He did come in?

Mr. McGINTY. Yes.

Mr. NELLIS. At that time. And you introduced yourself as Thomas J. McGinty to him and shook his hand, I suppose?

Mr. McGINTY. Maybe he done that to me; I don't know.

Mr. NELLIS. But at any event, you met in your office, didn't you?

Mr. McGINTY. Yes.

Mr. NELLIS. And what did you say to him, if anything?

Mr. McGINTY. I don't remember.

Mr. NELLIS. Well, didn't you say to him, you had a donation for the township?

Mr. McGINTY. I think that you are right, I think he asked me for a donation for the township, or one of them trustees.

Mr. NELLIS. What did you say?

Mr. McGINTY. I don't remember.

Mr. NELLIS. Did you give him a donation?

Mr. McGINTY. I might have.

Mr. NELLIS. How much was it, do you recall?

Mr. McGINTY. I don't recall. I had been giving donations out there for a long while.

Mr. NELLIS. I am talking about this specific time. Did you give him a donation at that time?

Mr. McGINTY. I may have.

Mr. NELLIS. In what amount?

Mr. McGINTY. The exact amount I wouldn't be able to tell you.

Mr. NELLIS. Wasn't it \$500 at that time?

Mr. McGINTY. It might have been.

Mr. NELLIS. Is that right?

Mr. HALLEY. In cash?

Mr. McGINTY. It might have been.

Mr. HALLEY. It was in cash, wasn't it?

Mr. McGINTY. Yes.

Mr. HALLEY. You remember handing a man \$500, don't you?

Mr. McGINTY. I may.

Mr. HALLEY. Did you do it?

Mr. McGINTY. I don't know. If you say I did, I must have. He said I did. I gave him something.

Mr. HALLEY. If he said it, you wouldn't deny it?

Mr. McGINTY. No; I wouldn't.

Mr. NELLIS. Did you get any receipt from him for it?

Mr. McGINTY. I don't remember.

Mr. NELLIS. Do you recall another incident shortly thereafter wherein he came back to your office?

Mr. MCGINTY. I think——

Mr. NELLIS. You gave him another \$500 or thereabouts?

Mr. MCGINTY. I think that was for a donation for the volunteer fire department.

Mr. NELLIS. In cash?

Mr. MCGINTY. I think so.

Mr. NELLIS. Did you get a receipt for it?

Mr. MCGINTY. I think so.

Mr. NELLIS. Now, any other donations?

Mr. MCGINTY. Yes; I think they came to me for a donation to see if I could use my influence to get them donations for some fire equipment, and I did.

Mr. NELLIS. How much did you give that time?

Mr. MCGINTY. I don't know, around \$4,000 or \$5,000.

Mr. NELLIS. Wasn't it \$6,000?

Mr. MCGINTY. I don't think so.

Mr. NELLIS. By check?

Mr. MCGINTY. I forget.

Mr. NELLIS. Wasn't a man in your office at the time that Mr. Ridge came out to collect this \$6,000?

Mr. MCGINTY. I think there were a couple of them. I am not sure.

Mr. NELLIS. Who was there?

Mr. MCGINTY. Well, I don't——

Mr. NELLIS. Was George Gordon there?

Mr. MCGINTY. He may have been.

Mr. NELLIS. Didn't you instruct Gordon to give Ridge a check for \$6,000?

Mr. MCGINTY. Yes. I asked him to. I didn't instruct him to, I asked him to.

Mr. NELLIS. Did he give it to him?

Mr. MCGINTY. Yes.

Mr. NELLIS. What was that for?

Mr. MCGINTY. That was for the fire department, volunteer fire department.

Mr. NELLIS. Then later some time that same year didn't Ridge come back again and get some more money in cash?

Mr. MCGINTY. I think he did, now that you refresh my memory. I think he did. It was for a tractor or something.

Mr. NELLIS. How much was that?

Mr. MCGINTY. I wouldn't know for sure.

Mr. NELLIS. Didn't you give him \$1,500 at that time for the tractor?

Mr. MCGINTY. I may have.

Mr. NELLIS. What did you think they were going to do with all this money?

Mr. MCGINTY. For—to buy equipment for the fire department.

Mr. NELLIS. Why were you giving it?

Mr. MCGINTY. Because they asked me to.

Mr. NELLIS. Why did they ask you to?

Mr. MCGINTY. Because they needed it. I will tell you, I had a race track out there and I had quite a fire, and it burned a few barns down

and it looked like I might have lost my grandstand and everything else, and I wanted always to help them. I have been helping them for 15 years out there, 20 years.

Mr. NELLIS. Isn't it a fact that you had the Pettibone Club out there, and in order to appease public opinion in the county you felt you had to make these donations to these people?

Mr. McGINTY. No; I didn't make them donations——

Mr. NELLIS. How much money did you give them in all this time?

The CHAIRMAN. Was the Pettibone Club in that county, in that section?

Mr. McGINTY. Yes, Senator.

The CHAIRMAN. This is Bainbridge, and what county is that?

Mr. McGINTY. Geauga County.

The CHAIRMAN. The Pettibone Club is how far from Bainbridge?

Mr. McGINTY. Oh, I don't know, maybe 7, 8, 10 miles.

The CHAIRMAN. It is in that county?

Mr. McGINTY. Yes.

The CHAIRMAN. This was one of the county officials, the solicitor?

Mr. McGINTY. The clerk.

The CHAIRMAN. The clerk of the county?

Mr. NELLIS. How much money did you give him throughout this period, including the \$6,000 check?

Mr. McGINTY. Gee, I wouldn't be able to give you the exact amount.

Mr. NELLIS. Wasn't it \$10,000 or thereabouts?

Mr. McGINTY. It might have been.

Mr. NELLIS. Easily?

Mr. McGINTY. Whenever they come to me, I always try to get them what I could.

Mr. NELLIS. It could have been more, couldn't it?

Mr. McGINTY. I don't think so.

Mr. NELLIS. Did you deduct it from your income-tax return?

Mr. McGINTY. I didn't give that.

Mr. NELLIS. Who gave it?

Mr. McGINTY. The Pettibone Club.

Mr. NELLIS. You and your partners got together?

Mr. McGINTY. No.

Mr. NELLIS. Is that right?

Mr. McGINTY. No; I am not in the Pettibone Club. I wasn't in the Pettibone Club.

Mr. NELLIS. Wasn't it part of your money that you were giving them?

Mr. McGINTY. No.

Mr. NELLIS. You are sure?

The CHAIRMAN. You said the Pettibone Club gave it?

Mr. McGINTY. Yes.

The CHAIRMAN. Is that a corporation or partnership?

Mr. McGINTY. I wouldn't know what it was.

The CHAIRMAN. It was a partnership, I am informed.

Mr. NELLIS. Was George Gordon a partner in that?

Mr. McGINTY. I think he was.

Mr. NELLIS. Mr. McGinty, you are a partner in the Beverly Hills Country Club; right?

Mr. McGINTY. Very small interest; yes.

Mr. NELLIS. What do you call a small interest?

Mr. McGINTY. I was. Yes; I was a partner; I am not a partner now.

Mr. NELLIS. You are a partner in Lookout House?

Mr. McGINTY. No, sir.

Mr. NELLIS. I asked you that before.

The CHAIRMAN. You weren't. Have you ever been a partner or had an interest in the Lookout House?

Mr. McGINTY. No, sir.

Mr. NELLIS. Who is M. W. Shaffner?

Mr. McGINTY. He was the manager of the Mounds Club at one time.

Mr. NELLIS. Did he have an interest in it, a financial interest?

Mr. McGINTY. Yes.

Mr. NELLIS. How big?

Mr. McGINTY. About 20 percent of it.

Mr. NELLIS. How about the balance? The 80 percent was split how?

Mr. McGINTY. Well, I am pretty sure I had 80 percent. A fellow by the name of Jones had a piece of it, too.

Mr. NELLIS. You had the majority interest, didn't you?

Mr. McGINTY. Yes. Yes, sir.

Mr. NELLIS. What is the Dixie Inn at West Palm Beach, Fla.?

Mr. McGINTY. What is it?

Mr. NELLIS. Yes, sir.

Mr. McGINTY. I think it is a cafe today.

Mr. NELLIS. What was it before?

Mr. McGINTY. Well, it was a casino.

Mr. NELLIS. What kind of a casino?

Mr. McGINTY. Well, where people could go and dance and see a show.

Mr. NELLIS. Any gambling there?

Mr. McGINTY. Yes; there were.

Mr. NELLIS. Who were your partners there?

Mr. McGINTY. Well, there was Mr. Jones and Mr. North.

Mr. NELLIS. Who is that?

Mr. McGINTY. North, James North.

Mr. NELLIS. Where is he from?

Mr. McGINTY. West Palm Beach.

Mr. NELLIS. Go ahead.

Mr. McGINTY. Mr. Shaffner.

Mr. NELLIS. M. W. Shaffner?

Mr. McGINTY. Yes.

Mr. NELLIS. Who else?

Mr. McGINTY. Mr. Jones.

Mr. NELLIS. Yes; I heard that, one of your partners.

Mr. McGINTY. Yes.

Mr. NELLIS. Who else?

Mr. McGINTY. That's all I remember.

Mr. NELLIS. You don't remember any others?

Mr. McGINTY. No.

Mr. HALLEY. Do you know John O'Rourke?

Mr. McGINTY. John O'Rourke? No.

Mr. NELLIS. What was the George Ralston and T. J. McGinty joint venture steamship *Alabama*?

Mr. McGINTY. Well, he asked me to invest some money in it; that's all.

Mr. NELLIS. What was it? What kind of business was it?

Mr. McGINTY. It was a boat leaving here for Cedar Point every day?

Mr. NELLIS. Where is Cedar Point?

Mr. McGINTY. It is about 60 miles from here. It is a resort.

Mr. NELLIS. Where would it go, Mr. McGinty?

Mr. McGINTY. Go to Cedar Point and back.

Mr. NELLIS. From Cleveland?

Mr. McGINTY. Yes, sir.

Mr. NELLIS. And what kind of a boat was it?

Mr. McGINTY. Pleasure boat.

Mr. NELLIS. Did you have gambling on it?

Mr. McGINTY. I never seen any.

Mr. NELLIS. Were you on it?

Mr. McGINTY. Never on it.

The CHAIRMAN. Who is George Ralston?

Mr. McGINTY. He was a broker. He was associated with Smith Davis.

Mr. MORIARTY. Could I explain that, Senator?

The CHAIRMAN. Well, we would rather the witness would testify, but maybe you can amplify it.

Mr. MORIARTY. There were four interests in it, the first, Cleveland Corp., of Cleveland, Ohio, here. They had one-quarter. Smith Davis was in the newspaper business or something. He wasn't in the publishing end of it. I think he dealt——

Mr. HALLEY. Broker of newspapers and radio stations.

Mr. MORIARTY. I think that's right.

Mr. HALLEY. Newspapers and radio.

Mr. MORIARTY. Mr. Ralston and Mr. McGinty, they were the four, and each had a quarter interest. Mr. McGinty, I might say, had one-half of Mr. Ralston's 50 percent. That was it.

Mr. NELLIS. Do you know Al Smiley?

Mr. McGINTY. Never heard of him.

Mr. NELLIS. Did you ever make any telephone calls to him?

Mr. McGINTY. Never.

Mr. NELLIS. Mickey Cohen?

Mr. McGINTY. No, sir.

Mr. NELLIS. Ruby Kolod?

Mr. McGINTY. Yes; I know Ruby Kolod.

Mr. NELLIS. Was he ever engaged in business with you?

Mr. McGINTY. I think he worked at the Pettibone.

Mr. NELLIS. He worked for you, didn't he?

Mr. McGINTY. At one time. Not for me.

Mr. NELLIS. What was his job there?

Mr. McGINTY. I forget. I don't even know.

Mr. NELLIS. Wasn't he a dealer there?

Mr. McGINTY. He may have been.

Mr. NELLIS. Manager of one of the crap tables?

Mr. McGINTY. He might have been.

Mr. NELLIS. Well, he was, wasn't he?

Mr. McGINTY. I wouldn't know for sure.

Mr. NELLIS. Do you know Herman Greenspan?

Mr. McGINTY. No, sir.

Mr. NELLIS. Never heard of Herman Greenspan?

Mr. McGINTY. No.

Mr. NELLIS. Who is Allard Rohn?

Mr. McGINTY. Allard Rohn. He is at the Desert Inn.

Mr. NELLIS. Where is he from?

Mr. McGINTY. I think he is from Cleveland originally.

Mr. NELLIS. How did he get into the Desert Inn?

Mr. McGINTY. I don't know.

Mr. NELLIS. You are in that venture, aren't you?

Mr. McGINTY. Yes.

Mr. NELLIS. How did you get together on that, Mr. McGinty?

Mr. McGINTY. Well, he was there before I come there.

Mr. NELLIS. Who got you into it?

Mr. McGINTY. Well, Wilbur Clark originally.

Mr. NELLIS. You must know Morris Kleinman, don't you?

Mr. McGINTY. Yes; I do.

Mr. NELLIS. You know Dalitz, don't you?

Mr. McGINTY. Yes; I do.

Mr. NELLIS. You know Rothkopf?

Mr. McGINTY. Yes; I do.

Mr. NELLIS. And they are all in the same business you are in, aren't they?

Mr. McGINTY. I think so.

Mr. NELLIS. They are all gamblers, aren't they?

Mr. McGINTY. I think so.

Mr. NELLIS. Why did you say your portion of Beverly Hills was small? Did you say that?

Mr. McGINTY. Yes; I did.

Mr. NELLIS. In 1949 you got nearly \$20,000 out of it, didn't you?

Mr. McGINTY. I may have.

Mr. NELLIS. You call that small? Is that small, Mr. McGinty?

Mr. McGINTY. No; I don't think so.

The CHAIRMAN. Anyway, that speaks for itself. It is pretty big to me. It may be small to you, Mr. McGinty.

Mr. McGINTY. I wouldn't say so, Senator.

Mr. NELLIS. We have some records on income tax, Mr. McGinty. What is your income, about? Let's take 1949. What was your income that year?

Mr. McGINTY. Well, my attorney handled that. I forget just what it was.

The CHAIRMAN. Well, approximately, Mr. McGinty.

Mr. McGINTY. Well, maybe \$40,000, \$50,000.

Mr. NELLIS. \$40,000 or \$50,000?

Mr. McGINTY. Yes.

Mr. NELLIS. And yet you call this portion small, nearly half of it?

Mr. McGINTY. I didn't say it was small. I says I had a small interest. You were the one that says for \$20,000 you wouldn't think it very small.

Mr. NELLIS. What do you call a small interest?

Mr. McGINTY. My interest was only about 6 percent.

Mr. NELLIS. Of the total. It was a pretty profitable venture, though, wasn't it?

Mr. McGINTY. I would think so.

Mr. NELLIS. If a 6-percent interest can return \$20,000.

Mr. MCGINTY. That's what you said I got.

Mr. NELLIS. Isn't it a fact, and don't you know of your own knowledge, that Beverly had gross receipts of \$528,000 plus in 1949? At least, that is what they reported.

The CHAIRMAN. If he had 6 percent and he got \$20,000, that would be about \$300,000 profit for the operation, the way I figure it. Is that about right?

Mr. MCGINTY. That's about right, according to them figures.

Mr. NELLIS. Are you involved in any other gambling casinos anywhere else, Mr. McGinty, that we have not talked about?

Mr. MCGINTY. No, sir.

Mr. NELLIS. Ever been?

Mr. MCGINTY. No, in the last 15, 18 years.

Mr. NELLIS. Prior to that, 15, 18 years ago, what were you in?

Mr. MCGINTY. I might have been interested in a place in Florida.

Mr. NELLIS. What was the name of the place?

Mr. MCGINTY. Carter's.

Mr. NELLIS. Carter's?

Mr. MCGINTY. Yes.

Mr. NELLIS. Who were your partners there?

Mr. MCGINTY. George Carter.

Mr. NELLIS. Where was he from?

Mr. MCGINTY. Mr. Bleet—from Miami Beach.

Mr. NELLIS. Go ahead, sir.

Mr. MCGINTY. That's all I remember; it is so long ago.

Mr. NELLIS. You just said another name. You said Mr. Bleet?

Mr. MCGINTY. Mr. Bleet; yes.

The CHAIRMAN. How do you spell that?

Mr. MCGINTY. B-l-e-e-t.

Mr. NELLIS. Where is he from?

Mr. MCGINTY. Here.

Mr. NELLIS. From Cleveland?

Mr. MCGINTY. Yes. He is dead now.

Mr. NELLIS. Who else?

Mr. MCGINTY. Mr. Schwartz.

Mr. NELLIS. William Schwartz?

Mr. MCGINTY. Yes.

Mr. NELLIS. Whom you heard was in the Colony Club?

Mr. MCGINTY. I guess that is the one.

Mr. NELLIS. Did you know he was in the Colony Club?

Mr. MCGINTY. I wouldn't know.

Mr. NELLIS. But you were in business with him in Florida 18 years ago, is that right?

Mr. MCGINTY. Yes.

Mr. NELLIS. Was that a profitable business?

Mr. MCGINTY. Yes; it was.

Mr. NELLIS. Is this the same Mr. Schwartz that killed his bodyguard and was sent to the penitentiary?

Mr. MCGINTY. I guess it is.

Mr. NELLIS. Do you know Shimmy Patton?

Mr. MCGINTY. Yes, I do.

Mr. NELLIS. Have you ever been in business with him?

Mr. McGINTY. No, I haven't.

Mr. NELLIS. Wasn't he down there with Schwartz in the Colony Club?

Mr. McGINTY. I wouldn't know.

Mr. NELLIS. Were you ever there?

Mr. McGINTY. Never.

Mr. NELLIS. Never in your life?

Mr. McGINTY. Never.

Mr. NELLIS. I have no questions at this time.

The CHAIRMAN. Mr. Halley?

Mr. HALLEY. Do you have any business other than gambling businesses?

Mr. McGINTY. Well, real estate. I own a little real estate.

Mr. HALLEY. When you say real estate, do you mean that you have invested some of your profits from the gambling business in real estate?

Mr. McGINTY. That's right.

Mr. HALLEY. Have you had any other businesses?

Mr. McGINTY. Not that I know of.

Mr. HALLEY. Going way back to 1925, then apparently you had a bootlegging business, is that right?

Mr. McGINTY. Yes.

I was in the racing business, too.

Mr. HALLEY. When were you in the racing business?

Mr. McGINTY. Right at that time.

Mr. HALLEY. Do you mean you ran horses or you rode them, or what did you do?

Mr. McGINTY. No. I run race tracks.

Mr. HALLEY. You ran race tracks?

Mr. McGINTY. Yes.

Mr. HALLEY. What tracks did you run?

Mr. McGINTY. Maple Heights.

Mr. HALLEY. Where is that?

Mr. McGINTY. Cleveland here.

Mr. HALLEY. Any other track?

Mr. McGINTY. Brooklyn.

Mr. HALLEY. Where is that?

Mr. McGINTY. That is a suburb of here.

Chargin Falls; Bainbridge Park.

Mr. HALLEY. During what years did you run the race tracks?

Mr. McGINTY. That was from 1925 to 1926 on.

Mr. HALLEY. Up to what time?

Mr. McGINTY. Well, up until——(to Mr. Moriarity) When was it legalized?

Mr. MORIARITY. Can I answer that?

Mr. HALLEY. You can refresh his memory.

Mr. MORIARITY. 1935.

Mr. HALLEY. You mean you quit when it became legalized?

Mr. McGINTY. No. We run after that, and the depression come on.

Mr. HALLEY. I thought that is what you said.

Mr. McGINTY. And there was other tracks here built, and, of course, we were so far out it didn't help business any.

Mr. HALLEY. I mean, when you were running the tracks, it wasn't legal, is that right?

Mr. MCGINTY. I run tracks when it wasn't legal, that's right.

Mr. HALLEY. And it became legalized in 1935?

Mr. MCGINTY. Yes.

Mr. HALLEY. And you went out when?

Mr. MCGINTY. We went out about 1938.

Mr. HALLEY. Have you had any other businesses?

Mr. MCGINTY. I was in the boxing business.

Mr. HALLEY. Did you fight or manager or promote?

Mr. MCGINTY. I done it all.

Mr. HALLEY. You did it all?

Mr. MCGINTY. Yes.

Mr. HALLEY. In what years?

Mr. MCGINTY. Well, around in through the thirties. I used to run all the shows here.

Mr. HALLEY. You ran the boxing shows here?

Mr. MCGINTY. Yes. Champion——

Mr. HALLEY. Up to what year?

Mr. MCGINTY. Up until about 15 years ago.

Mr. HALLEY. Why did you go out of the boxing business? Did that become legal? I shouldn't joke about it.

Why did you go out of the boxing business?

Mr. MCGINTY. I got tired of it.

Mr. HALLEY. Were you a promoter?

Mr. MCGINTY. Yes, I was a promoter and a manager.

The CHAIRMAN. Were you a fighter, too?

Mr. MCGINTY. Yes, sir.

The CHAIRMAN. Heavyweight?

Mr. MCGINTY. No. I was a featherweight.

Mr. HALLEY. In what years did you fight?

Mr. MORIARTY. As Mr. McGinty said: He fought one night and got knocked down and he came up as a manager.

Mr. MCGINTY. I managed a lot of good boys.

Mr. HALLEY. But you have been out of the fight game now for about 15 years?

Mr. MCGINTY. That's right.

Mr. HALLEY. And since about 1938, have you had any other businesses but the gambling business?

Mr. MCGINTY. Real-estate investments.

Mr. HALLEY. What are the real-estate investments you have?

Mr. MCGINTY. Well, I have got some property in Florida. I got a sixth of four or five lots there.

I got 25 percent of another piece of property.

Mr. HALLEY. Who are your partners in Florida?

Mr. MCGINTY. Well, I think Mr. Strong, Strong Estates, had one-sixth of it.

A fellow by the name of Kay has 50 percent.

Mr. HALLEY. Is that the same Kay who was in the wire service here?

Mr. MCGINTY. No.

Mr. HALLEY. Which Kay is it?

Mr. MCGINTY. Sam Kay.

Mr. HALLEY. Sam Kay?

Mr. MCGINTY. Sam Kay; yes.

Mr. HALLEY. He is a gambler in New York, isn't he?

Mr. MCGINTY. No, he is not.

Mr. HALLEY. Well, that is a common name.

Who else are your partners?

Mr. MCGINTY. That is all.

I think Mr. Haas has got a piece of the Strong Estates there.

Mr. HALLEY. You mean the lawyer?

Mr. MCGINTY. That's right.

Mr. HALLEY. He is in on this Florida deal with you?

Mr. MCGINTY. That's right.

Mr. HALLEY. What other real-estate ventures have you got?

Mr. MCGINTY. I own the Hickory House there, or the lease on it in Miami.

Mr. HALLEY. You own the property on which the Hickory House is run?

Mr. MCGINTY. Yes; 99-year lease.

Mr. HALLEY. When did you get that?

Mr. MCGINTY. I have that for a long while.

Mr. HALLEY. About how long?

Mr. MCGINTY. About 20 years.

Mr. HALLEY. What other real estate have you?

Mr. MCGINTY. Bainbridge race track.

Mr. HALLEY. Bainbridge race track?

Mr. MCGINTY. Yes.

Mr. HALLEY. Where is that located?

Mr. MCGINTY. Right outside of Cleveland here.

Mr. HALLEY. You still have that?

Mr. MCGINTY. Yes.

Mr. HALLEY. Do you operate it or just own the track?

Mr. MCGINTY. Well, we have stock-car racing, automobile racing, rodeo.

Mr. MORIARITY. Can I refresh——

Mr. HALLEY. You can refresh his recollection. It is all right.

Mr. MORIARITY. Those are the things I take care of and possibly have more intimate knowledge of than Mr. McGinty.

Mr. HALLEY. We generally can distinguish between trying to help the witness and trying to impede us, and we figure you are trying to help.

Mr. MORIARITY. Yes.

Mr. HALLEY. You have stock-car racing at the Bainbridge track?

Mr. MCGINTY. Yes.

Mr. HALLEY. Anything else?

Mr. MCGINTY. Rodeos. The village puts rodeo shows on there.

Mr. HALLEY. You actually operate the track?

Mr. MCGINTY. No, I don't. I lease it.

Mr. HALLEY. You lease it to others?

Mr. MCGINTY. That's right.

Mr. HALLEY. Do you have any partners in the Bainbridge track?

Mr. MCGINTY. Yes.

Mr. HALLEY. Who are they?

Mr. MCGINTY. Colonel Eddy.

Mr. HALLEY. Colonel Eddy?

Mr. MCGINTY. Robert S. Eddy; yes.

Mr. HALLEY. Any others?

Mr. MCGINTY. That is all.

Mr. HALLEY. I think you testified that you invested \$150,000 in the Desert Inn?

Mr. McGINTY. That's right.

Mr. HALLEY. How did you happen to make your investment in the Desert Inn? Will you describe the transaction, how it came to you?

Mr. McGINTY. Well, Wilbur Clark showed me how much he had invested there already.

Mr. HALLEY. How long have you known Wilbur Clark?

Mr. McGINTY. I have only known him a couple of years. Well, I only know him 2 years.

Mr. HALLEY. How did you happen to discuss the Desert Inn with him?

Mr. McGINTY. He came here and talked to me.

Mr. HALLEY. Was he looking for an investment?

Mr. McGINTY. That's right.

Mr. HALLEY. Did he come to you or one of the other investors?

Mr. McGINTY. Well, he may have come to the other investors before, I wouldn't know.

Mr. HALLEY. So, as far as you know, he came directly to you, in any event?

Mr. McGINTY. That's right.

Mr. HALLEY. Was it you who went to the others?

Mr. McGINTY. No.

Mr. HALLEY. There are other Cleveland people in it, are there not?

Mr. McGINTY. That's right.

Mr. HALLEY. Kleinman is in it?

Mr. McGINTY. That's right.

Mr. HALLEY. And Dalitz?

Mr. McGINTY. Yes.

Mr. HALLEY. Who else from Cleveland?

Mr. McGINTY. Tucker.

Mr. HALLEY. Tucker. Anyone else?

Mr. McGINTY. That is all.

Mr. HALLEY. Did you go to them with the deal?

Mr. McGINTY. No. Clark came.

Mr. HALLEY. Did he go to each one separately?

Mr. McGINTY. Yes, I think he did.

Mr. HALLEY. What deal did you finally work out?

Mr. McGINTY. Well, we finally worked out that he was to get, I think, 26 or 27 percent.

Mr. HALLEY. And the four of you were to split the rest?

Mr. McGINTY. I guess that is how it was.

Mr. HALLEY. Are you partners?

Mr. McGINTY. Yes.

Mr. HALLEY. Did you actually sit down and discuss it with Tucker and Dalitz and Kleinman?

Mr. McGINTY. Yes, we talked it over.

Mr. HALLEY. Did you each put up an equal amount?

Mr. McGINTY. Well, I don't know for sure.

Mr. HALLEY. Well, you must know what your partners put in.

Mr. McGINTY. Yes.

Mr. HALLEY. Did you put in more or less than the others?

Mr. McGINTY. I wouldn't be able to say.

Mr. HALLEY. What was the total investment made by the Cleveland group?

Mr. MCGINTY. About \$800,000.

Mr. HALLEY. Then some of them would have to invest more than you did?

Mr. MCGINTY. Well, I think so.

Mr. HALLEY. I believe Clark told us it was about a million and a half that was put in by the Cleveland group. Would that be wrong, or could it have been that high?

Mr. MCGINTY. It could have been that high. I could have borrowed quite a bit of it.

Mr. HALLEY. Is your interest in proportion to the amount you put in?

Mr. MCGINTY. Well, we haven't decided about the proportions as yet.

Mr. HALLEY. Haven't you any written agreement?

Mr. MCGINTY. No.

Mr. HALLEY. It is all done on an informal basis?

Mr. MCGINTY. That's right.

Mr. HALLEY. What do you have to show for your investment; receipts for anything?

Mr. MCGINTY. Yes. I got a receipt.

Mr. HALLEY. How much of your investment was in actual cash as contrasted to checks?

Mr. MCGINTY. Maybe—mine?

Mr. HALLEY. Yes.

Mr. MCGINTY. About \$25,000.

Mr. HALLEY. In cash?

Mr. MCGINTY. Yes.

Mr. HALLEY. And the rest in checks?

Mr. MCGINTY. Yes.

Mr. HALLEY. Your own personal checks?

Mr. MCGINTY. No.

Mr. HALLEY. Was it your money you invested?

Mr. MCGINTY. Yes. I borrowed some of it.

Mr. HALLEY. You borrowed some of it?

Mr. MCGINTY. Yes.

Mr. HALLEY. From whom did you borrow?

Mr. MCGINTY. Well, I borrowed from Harry Bernstein.

Mr. HALLEY. Who is he?

Mr. MCGINTY. He is with Loew's Theaters.

Mr. HALLEY. How much did he lend you?

Mr. MCGINTY. \$25,000.

Mr. HALLEY. From who else did you borrow?

Mr. MCGINTY. I borrowed from Max Marmorstein.

Mr. HALLEY. Who is he?

Mr. MCGINTY. He is in the real-estate business.

Mr. HALLEY. Where?

Mr. MCGINTY. Cleveland.

Mr. HALLEY. How much did he lend you?

Mr. MCGINTY. \$25,000.

Mr. HALLEY. From whom else did you borrow?

Mr. MORIARTY. Herman Kohen.

Mr. MCGINTY. Herman Kohen.

Mr. HALLEY. And is he in Cleveland, too?

Mr. McGINTY. No.

Mr. HALLEY. Where is he?

Mr. McGINTY. In Miami.

Mr. HALLEY. And what business is he in there?

Mr. McGINTY. He is an attorney.

Mr. HALLEY. And how much did he put in?

Mr. McGINTY. \$25,000.

Mr. MORIARTY. Pardon me. Loaned——

Mr. McGINTY. He loaned me that.

The CHAIRMAN. Herman Kohen?

Mr. McGINTY. Yes.

The CHAIRMAN. Miami or Miami Beach?

Mr. McGINTY. Miami Beach. This is a different Kohen entirely.

The CHAIRMAN. Do you know Ben?

Mr. McGINTY. No; I don't.

Mr. MORIARTY. This is K-o-h-e-n, if I may. He used to be city councilman here; is now a practicing attorney in Miami Beach.

Mr. HALLEY. Now, did you borrow money from anybody else?

Mr. McGINTY. Not that I know.

Mr. HALLEY. Well, we haven't made up \$150,000.

Mr. McGINTY. M. J. Burnette I got \$150,000 from.

Mr. HALLEY. M. J. Burnette?

Mr. McGINTY. Yes.

Mr. HALLEY. Who is he?

Mr. McGINTY. In the railroad supply business.

Mr. HALLEY. Where?

Mr. McGINTY. Cleveland.

Mr. HALLEY. Now, did they have a participation in your interest?

Mr. McGINTY. No.

Mr. HALLEY. Or did they just lend you the money?

Mr. McGINTY. Just lent me the money.

Mr. HALLEY. On what collateral?

Mr. McGINTY. No collateral.

Mr. HALLEY. Well, how do you induce these businessmen to lend you money for you to engage in a gambling venture without any collateral?

Mr. McGINTY. Well, they just took my note.

Mr. HALLEY. What is your net worth?

Mr. McGINTY. I wouldn't be able to say right now.

Mr. HALLEY. Would you say it is in excess of \$100,000?

Mr. McGINTY. Yes.

Mr. HALLEY. Is it in excess of, say, a half million dollars?

Mr. McGINTY. No.

Mr. HALLEY. Would you say it is over \$200,000?

Mr. McGINTY. It is about that.

Mr. HALLEY. About \$200,000?

Mr. McGINTY. Yes.

Mr. HALLEY. What is the total value of your real estate? How much of your \$200,000 would you say represents the value of your real-estate holdings.

Mr. McGINTY. I wouldn't be able to tell you that.

Mr. HALLEY. Well, do you have a lot of money in cash?

Mr. McGINTY. No.

Mr. HALLEY. You say you put \$25,000 in the form of currency?

Mr. MCGINTY. I think mine was cash, or a check, too.

Mr. HALLEY. Yours was a check, too?

Mr. MCGINTY. Yes.

Mr. HALLEY. Well, what was the currency you are talking about that you put up?

Mr. MCGINTY. I forget.

Mr. HALLEY. Well, you testified a little while ago it was \$25,000.

Mr. MCGINTY. I think you mixed me up there a little.

Mr. HALLEY. I am awfully sorry I mixed you up, Mr. McGinty. I don't remember trying to.

I am just trying to find out how you have operated all your life, and what kind of business you are in, and have been in, and what your methods of doing business are.

Now, did Mr. Nellis mix you up, too, when you told him part of your investment in the Desert Inn was in cash?

Mr. MCGINTY. I don't know. I forget what I told Mr. Nellis.

Mr. HALLEY. Well, I sort of think I remember you told him you put some cash in?

Mr. MCGINTY. It is about that.

Mr. HALLEY. About what? \$25,000?

Mr. MCGINTY. About \$25,000.

Mr. HALLEY. Then your whole investment was cash?

Mr. MCGINTY. No, I put in a check, too.

Mr. HALLEY. Well, the checks were what you got from the people who loaned you money?

Mr. MCGINTY. Yes.

Mr. HALLEY. The part that was your own was cash?

Mr. MCGINTY. No; I put in a check, too.

Mr. HALLEY. For how much?

Mr. MCGINTY. I think about \$25,000.

Mr. HALLEY. Well, now, you are up to \$175,000, then?

Mr. MCGINTY. Well——

Mr. HALLEY. What was your investment?

Mr. MCGINTY. About that.

Mr. HALLEY. Well, you know, this is really serious business, and there are \$25,000 more or less; it makes a difference, to this committee.

Mr. MCGINTY. Well, I am not sure.

Mr. HALLEY. Do you have any record of your investment in the Desert Inn?

Mr. MCGINTY. No; it is all out there.

Mr. HALLEY. Well, suppose when you get out there yourself, and you sit down with your partners to find out how much of the Desert Inn you own—because you said you still don't know—they say you only put \$10,000 in, what have you got to show you put more in?

Mr. MCGINTY. Well, I haven't anything.

Mr. HALLEY. You mean you are working——

Mr. MCGINTY. Only them checks.

Mr. HALLEY. You mean you are working on your honor among each other?

Mr. MCGINTY. Mostly.

Mr. HALLEY. And your ability to do business together?

Mr. MCGINTY. No; there is a record of everything I put in.

Mr. HALLEY. So, you would say you put in \$25,000 as a check of your own?

Mr. MCGINTY. Yes.

Mr. HALLEY. And \$25,000 in currency; is that right?

Mr. MCGINTY. I am not sure.

Mr. HALLEY. Well, you must remember a big transaction like that, Mr. McGinty. Consult with your attorney. He seems to be able to—

Mr. MORIARTY. Do you want the answer from me, Mr. Halley?

Mr. HALLEY. Well, refresh your client's memory.

The CHAIRMAN. All right, let's get on. We are very far behind schedule here.

Mr. HALLEY. Do you have the answer now?

Mr. MCGINTY. Yes. It was a check.

Mr. HALLEY. It was a check. No cash whatsoever?

Mr. MCGINTY. That is right.

Mr. HALLEY. You are quite sure you put no currency into it?

Mr. MCGINTY. That is right.

Mr. HALLEY. How much cash are you worth today? Do you have any cash assets today?

Mr. MCGINTY. Yes.

Mr. HALLEY. In excess of \$25,000?

Mr. MCGINTY. Yes.

Mr. HALLEY. Do you keep any of that in the form of currency?

Mr. MCGINTY. In the bank.

Mr. HALLEY. Do you keep any currency in a box anywhere?

Mr. MCGINTY. No.

Mr. HALLEY. No currency whatsoever?

Mr. MCGINTY. No.

Mr. HALLEY. All your cash is in a bank?

Mr. MCGINTY. Yes.

Mr. HALLEY. Where do you bank?

Mr. MCGINTY. The Central United National.

Mr. HALLEY. And where is that?

Mr. MCGINTY. West Twenty-fifth.

Mr. HALLEY. In Cleveland?

Mr. MCGINTY. And Lorain, yes.

Mr. HALLEY. Do you have any other bank account?

Mr. MCGINTY. National City.

Mr. HALLEY. Here in Cleveland?

Mr. MCGINTY. Yes, sir.

Mr. HALLEY. And any bank accounts in Florida?

Mr. MCGINTY. No.

Mr. HALLEY. You do not habitually carry large sums of cash on you?

Mr. MCGINTY. No.

Mr. HALLEY. Or keep them anywhere in a box?

Mr. MCGINTY. Not now.

Mr. HALLEY. Would you say that you accumulated the assets that you now have in the various gambling games, operations that you have had all through your life?

Mr. MCGINTY. Will you ask me that again, please?

Mr. HALLEY. Have you accumulated your net worth as a result of your gambling operations?

Mr. MCGINTY. In business, yes.

Mr. HALLEY. Well, in business? What kind of business?

Mr. MCGINTY. Well, the boxing business and the racing business, and real estate business, and the gambling business.

Mr. HALLEY. Well, how much of it would you say you accumulated in the real-estate business?

Mr. MCGINTY. Oh, I just don't know. I haven't got the figures here.

Mr. HALLEY. Have you had successful transactions involving particular pieces of property?

Mr. MCGINTY. Yes, sir.

Mr. HALLEY. Turned them over at a profit?

Mr. MCGINTY. Yes.

Mr. HALLEY. Can you relate one such instance?

Mr. MORIARITY. Two of them last year.

Mr. MCGINTY. Well, I had two last year.

Mr. HALLEY. What was the total profit from those two?

Mr. MCGINTY. Well, approximately \$40,000 in one and——

Mr. MORIARITY. And \$50,000 or \$60,000 in the other.

Mr. MCGINTY. And \$50,000 or \$60,000 in the other.

Mr. HALLEY. And when did you purchase those properties?

Mr. MCGINTY. I beg pardon?

Mr. HALLEY. When did you purchase those properties?

Mr. MCGINTY. Oh, a couple of years before.

Mr. HALLEY. Just 2 or 3 years previous?

Mr. MCGINTY. That is right.

Mr. HALLEY. You are now referring, then, to a net gain of \$100,000 in addition to the income you have been telling us about? Is that right? Is that a capital gain in addition to your income?

Mr. MCGINTY. Yes.

Mr. HALLEY. Is some testimony going to come out of that last conference?

Mr. MORIARITY. Do you want it from me, Mr. Halley?

Mr. HALLEY. I'd rather have it from him.

Mr. MORIARITY. O. K.

Mr. HALLEY. You see, we are just trying to get a picture of Mr. McGinty's operations. Now, I take it in addition to the \$40,000 income you are talking about last year, there were certain capital gains?

Mr. MCGINTY. Yes.

Mr. HALLEY. How much do they come to?

Mr. MCGINTY. I couldn't give you the exact amount.

Mr. HALLEY. Approximately \$100,000?

Mr. MCGINTY. Not that much.

Mr. HALLEY. Over \$50,000?

Mr. MCGINTY. Yes.

Mr. HALLEY. So that your income, including capital gains last year, would be between \$90,000 and \$100,000?

Mr. MCGINTY. That is right.

Mr. HALLEY. Was there any other capital gain?

Mr. MCGINTY. No.

Mr. HALLEY. Now, have you made capital gains in previous years?

Mr. MCGINTY. Not lately, to my knowledge.

Mr. HALLEY. The money you have invested in these real estate projects, is that money you have earned in the gambling business; is that right?

Mr. McGINTY. Some of it.

Mr. HALLEY. Now, just one other thing that interests me, and that is the nature of this racing operations prior to 1938. Just what did you do? Just conduct sneak horse races at these various tracks?

Mr. McGINTY. Conduct what?

Mr. HALLEY. Horse races at these various tracks?

Mr. McGINTY. Yes.

Mr. HALLEY. How could you run a horse race illegally? Wouldn't everybody in the county have to know you were running a horse race?

Mr. McGINTY. I think they did.

Mr. HALLEY. Well, how did you get away with it?

Mr. McGINTY. Well, I gave 10 or 15 percent of the gate to the two villages, and I run what I thought—I thought the system was legal I was using, as much as a brokerage office or any business like that. I used the contribution system.

Mr. HALLEY. Who did you make your deal with on the amount you would contribute to the villages?

Mr. McGINTY. With the clerks.

Mr. HALLEY. Of the particular village?

Mr. McGINTY. That is right.

Mr. HALLEY. And as a result of your contributing part of that take to the village, they let you operate along?

Mr. McGINTY. That is right.

Mr. HALLEY. Well, how about the county officials? Didn't they ever—

Mr. McGINTY. They got 5 percent, too.

Mr. HALLEY. The county got 5 percent?

Mr. McGINTY. Yes.

Mr. HALLEY. Well, did that go into the county treasury, or to the officials' private pockets?

Mr. McGINTY. No; that went into the treasury.

Mr. HALLEY. You mean it actually shows up in the county books?

Mr. McGINTY. That is right.

Mr. HALLEY. Did you ever get a legal opinion as to the legality of such contributions?

Mr. McGINTY. Yes.

Mr. HALLEY. Who gave you such an opinion?

Mr. McGINTY. Well, I have got it from several.

Mr. HALLEY. Have you got a written, formal, legal opinion?

Mr. McGINTY. Well, it was upheld in Geauga County.

Mr. HALLEY. What happened, and how did that occur?

Mr. McGINTY. I was acquitted.

Mr. HALLEY. Well, tell the committee just what happened.

Mr. McGINTY. Well, they arrested me for—because they thought it was illegal.

Mr. HALLEY. You mean they arrested you for a bribe?

Mr. McGINTY. No.

Mr. HALLEY. For what?

Mr. McGINTY. For running horses against the law.

Mr. HALLEY. Well, you just said it was against the law?

Mr. McGINTY. They said it was against the law, but I said it wasn't.

Mr. HALLEY. Well, what made it lawful to run horses, when the State law said it was unlawful?

Mr. MCGINTY. What made it lawful?

Mr. HALLEY. Yes.

Mr. MCGINTY. When they legalized it.

Mr. HALLEY. You mean in 1935?

Mr. MCGINTY. Yes.

Mr. HALLEY. But prior to that, what made it lawful?

Mr. MCGINTY. What made it lawful?

Mr. HALLEY. Yes.

Mr. MCGINTY. Well, I thought it was lawful, because I was running it under the contributions system. We have had opinions that it was legal.

Mr. HALLEY. What is that contributions system? We have had another example of it here in connection with your contributions in the place where you run the Pettibone Club.

Isn't it a sort of bribe system?

Mr. MCGINTY. No. It is where a number of people gather to donate to a purse, and we were handling the money, and we took a 10 percent for handling it.

Mr. HALLEY. How did the contribution go to the township?

Mr. MCGINTY. Well, that was in the gate.

Mr. HALLEY. At the gate?

Mr. MCGINTY. Yes.

Mr. HALLEY. And who worked out the deal with the township?

Mr. MCGINTY. I did, or one of my partners, I just forget now.

Mr. HALLEY. And then you worked out another deal with the county?

Mr. MCGINTY. That is right.

Mr. HALLEY. Would they have not let you run unless you made these contributions?

Mr. MCGINTY. I wouldn't say they wouldn't.

Mr. HALLEY. But it helped?

Mr. MCGINTY. It helped; yes.

Mr. HALLEY. Now, is that the same contribution system that you used in connection with the Pettibone Club, when you made these donations which you said amounted to about \$10,000?

Mr. MCGINTY. Well, them are just donations.

Mr. HALLEY. How do they differ from contributions?

Mr. MCGINTY. Well, contributions in a race track, everybody buys tickets like in a mutual department.

Mr. HALLEY. But how did the county and township get into it?

Mr. MCGINTY. They got the tax from the admissions at the gate, and we took 10 percent to handle the money bet on the horses.

Mr. HALLEY. Well, you say they took it as a tax?

Mr. MCGINTY. Yes; they took it as a tax.

Mr. HALLEY. What did you do? Sit down with them and work out a tax?

Mr. MCGINTY. That is about it. That is right, a percentage.

Mr. HALLEY. Well, who collected it?

Mr. MCGINTY. The village.

Mr. HALLEY. Did they have a man there?

Mr. MCGINTY. They had their own men there.

Mr. HALLEY. They had their own men to collect?

Mr. MCGINTY. Yes; checking the gates.

Mr. HALLEY. Now, was that the basis on which you worked out your deal for this \$10,000, at the place where you ran the Pettibone Club?

Mr. MCGINTY. No.

Mr. HALLEY. That was different? That was just a straight gift?

Mr. MCGINTY. That is right.

Mr. MORIARTY. May I explain that, if you will, Mr. Halley, please? Maybe I can give a little clearer picture of it.

The CHAIRMAN. All right.

Mr. MORIARTY. The Bainbridge Track was built in 1928, and at that time, when I was McGinty's attorney, I contended that the so-called contribution system was legal. It was in effect in a number of different States, and different tracks.

Shortly after—I think it was in '28, in order to test the thing out in Geauga County, Mr. McGinty and one or two others were arrested. Those cases then were tried, and the jury acquitted them, establishing, in my judgment of a lot of other people—there were other opinions throughout the country as to the legality of that system.

Now, with respect to what the county and the village got, there was a 25-cent charge made at the gate, 15 cents of that went to Bainbridge Township and 10 cents went to the county.

That was labeled on it—they gave them badges to go in that they paid the 25 cents, the county and village tax.

The county and the village had a representative at the track, and they saw to the allocation of that money, in putting it into the proper fund. They came over, I think, at the end of the week and collected their money, and it went into Bainbridge Township and Geauga County.

We never had any trouble, that is, they operated under the contributions system until in 1933, the horse racing was legalized in Ohio, and when it was legalized, Bainbridge operated under the legalization for '33, '34 and '35, and at that time two other tracks, Thistledown and North Randall, had come into the picture, and Bainbridge Track was out too far, and it proved—

The CHAIRMAN. All right. Any other thing?

Mr. NELLIS. Two other questions.

Do you know Paul Francis Cage?

Mr. MCGINTY. No.

Mr. NELLIS. Sheriff of Lake County?

Mr. MCGINTY. No.

Mr. NELLIS. Don't know him at all? Do you know Sheriff Harland, of Geauga County?

Mr. MCGINTY. No.

Mr. NELLIS. Never met him?

Mr. MCGINTY. No.

Mr. NELLIS. Never met either one of them?

Mr. MCGINTY. No.

Mr. NELLIS. I have no other questions.

The CHAIRMAN. This Melody Music Co. of Phoenix, is that the same thing that several other people have said they have an interest in?

Mr. MCGINTY. I think so, sir.

Mr. MORIARTY. Yes.

The CHAIRMAN. Do you have an interest in it, Mr. Moriarity?

Mr. MORIARITY. Senator, I don't know which one I was in. There were three of them. I was in one. There was Modern Music——

The CHAIRMAN. Well, Mr. Giesey said he had an interest in it.

Mr. MORIARITY. That is right. Same thing. He was in it.

The CHAIRMAN. Now, another matter. Who was your partner in the Mounds Club, did you say?

Mr. McGINTY. Mr. Jones, Calvin Jones.

The CHAIRMAN. Now, was he also in the race track with you?

Mr. McGINTY. No, Senator.

The CHAIRMAN. Who was your partner in the race track?

Mr. McGINTY. Mr. Eddy.

The CHAIRMAN. In the Pettibone Club; who was your partner in the Pettibone Club?

Mr. McGINTY. Well, at that time, when I was in the Pettibone Club, it was Mr. Gaylord and Mr. Ward.

The CHAIRMAN. But they had nothing to do with the race track, did they?

Mr. McGINTY. No.

The CHAIRMAN. But you took Pettibone money to turn over to this clerk or trustee, about \$10,000, so that they would have some fire equipment to look after your race track; is that right?

Mr. McGINTY. Yes, and look after them, too.

The CHAIRMAN. Look after the Pettibone Club, too?

Mr. McGINTY. That is right.

The CHAIRMAN. Prevent a fire there, or something of that sort?

Mr. McGINTY. That is right.

The CHAIRMAN. Do you know these Angersola brothers in Florida? Are you acquainted with them?

Mr. McGINTY. No.

The CHAIRMAN. Al Polizzi?

Mr. McGINTY. Yes, I have met Mr. Polizzi.

The CHAIRMAN. You have had business transactions with him?

Mr. McGINTY. Never.

The CHAIRMAN. Did you have some interest at one time in Winnie's Little Club in Miami?

Mr. McGINTY. Never.

The CHAIRMAN. What is this International Thrill Circus? Do you have some interest in it?

Mr. McGINTY. Me?

The CHAIRMAN. International Thrill Circus?

Mr. MORIARITY. That is the thing in Chicago.

Mr. McGINTY. Oh, Chicago?

The CHAIRMAN. Yes.

Mr. McGINTY. Oh.

The CHAIRMAN. What was that?

Mr. McGINTY. It was a show we put on at Soldiers Field, Tommy Walsh and another fight promoter up there.

The CHAIRMAN. What kind of a show?

Mr. McGINTY. The Bombing of Tokyo. That was the name of it.

The CHAIRMAN. What happened to that?

Mr. McGINTY. I don't know. It wasn't successful, I know.

The CHAIRMAN. Then where did you have this roller derby?

Mr. McGINTY. Here in Cleveland.

The CHAIRMAN. That was here?

Mr. McGINTY. I forgot to tell you that.

Mr. MORIARTY. The bicycle races.

Mr. McGINTY. Bicycle races, too. I was a promoter.

The CHAIRMAN. Now, when Mr. Clark talked you into investing in the Desert Inn, what was his sales talk? I have been interested in that.

Now, he built a building out there, and then ran out of money, and junketed around all over the country to find somebody to get interested in it, and finally settled on you Cleveland people. What were his sales talks?

Mr. McGINTY. Well, Senator, he was very successful in the gaming business before. He had a place called the El Rancho.

The CHAIRMAN. Yes?

Mr. McGINTY. And he retired.

The CHAIRMAN. And he showed you how well he had done with the El Rancho?

Mr. McGINTY. That is right. And I guess he lost quite a bit of money and went broke a few years after that, and he was interested, I guess, in boats and different things, and he started this place. And I thought it was a very nice location, and if the proper kind of casino was built, there was no doubt about it making money, because right now, on a Saturday night, you can't get a reservation in the town. Business is good.

The CHAIRMAN. Were you out there for the opening night?

Mr. McGINTY. Yes, sir; I was.

The CHAIRMAN. Who handled the public relations for that opening? Do you know?

Mr. McGINTY. A man in California. I forget his name right now.

The CHAIRMAN. It wasn't anybody from New York?

Mr. McGINTY. We had some New York people there.

The CHAIRMAN. Well, this Mr. Schaeffer, in the Dixie Inn, where is he from?

Mr. McGINTY. From Cleveland. That is Shaffner.

The CHAIRMAN. And where is Mr. Jones from?

Mr. McGINTY. Steubenville, Ohio.

The CHAIRMAN. And did you have an interest in either the Sands or the Wofford Hotel?

Mr. McGINTY. No.

The CHAIRMAN. Where did you stay in Florida?

Mr. McGINTY. When I was there I stayed at the North Shore.

The CHAIRMAN. This Sammy Kay that you owned some property with. Is it Sammy Kay or Bennie?

Mr. McGINTY. Sam Kay.

The CHAIRMAN. Where does he live?

Mr. McGINTY. Miami.

The CHAIRMAN. And what does he do?

Mr. McGINTY. Real estate business.

The CHAIRMAN. Does he live in Miami or Miami Beach?

Mr. McGINTY. Miami and Miami Beach both. His office is in Miami Beach.

The CHAIRMAN. And you owned some property with him?

Mr. McGINTY. I got a sixth interest.

The CHAIRMAN. Where is that property?

Mr. MCGINTY. Right down Collins Avenue, the other side of—past the Firestone estate.

The CHAIRMAN. Now, that is out on the beach?

Mr. MCGINTY. Yes.

The CHAIRMAN. Now, who else owns that property with you?

Mr. MCGINTY. Well, the Strong estate, and Mr. Haas.

The CHAIRMAN. Is that lawyer Haas in Cleveland?

Mr. MCGINTY. That's right. That is the only property I am interested in with him there.

The CHAIRMAN. Who else owns it?

Mr. MCGINTY. And Kay. Kay owns 50 percent of it.

The CHAIRMAN. Did Kay put up money or did he have it and sell you part of it?

Mr. MCGINTY. He sold us.

The CHAIRMAN. What are you going to do with this property? Is that building property?

Mr. MCGINTY. Yes. The restriction is off some of it and some of it it is not.

The CHAIRMAN. Is that the property that you have some matter up with the City Council of Miami Beach, to get the restriction off?

Mr. MCGINTY. Our attorney might have.

The CHAIRMAN. Who is your attorney?

Mr. MCGINTY. Mr. Cohen.

The CHAIRMAN. Which Cohen?

Mr. MCGINTY. Herman Cohen.

The CHAIRMAN. Do you know Ben Cohen?

Mr. MCGINTY. No.

The CHAIRMAN. Are you a friend and have any business with Game-Boy Miller in Florida?

Mr. MCGINTY. No.

The CHAIRMAN. Or Wexler?

Mr. MCGINTY. No.

The CHAIRMAN. Do you have any interest in the wire service?

Mr. MCGINTY. No.

The CHAIRMAN. Anything else?

Mr. NELLIS. I have one other question, Mr. Chairman.

The CHAIRMAN. All right, go ahead.

Mr. NELLIS. I just wanted to ask you, Mr. McGinty, how is it possible to run these casinos without the knowledge and consent of the local law-enforcement officers?

Have you any opinion on that? How can you run an illegal operation at a given place without the knowledge and consent of the local law-enforcement officers?

Mr. MCGINTY. Well, I never opened one around here, myself, personally.

Mr. NELLIS. Anywhere.

Mr. MCGINTY. I can't answer that question.

Mr. NELLIS. You have no opinion on it?

Mr. MCGINTY. No opinion.

The CHAIRMAN. All right. Well, Mr. McGinty, you have been pretty fair and forthright with the committee. The chairman previously directed you to answer some questions which on advise of counsel you didn't answer, but the chairman will withdraw his direction to

you to answer those questions, so that you have no more involvement with the committee at this time.

Mr. MORIARITY. Thank you, Senator.

Mr. MCGINTY. Thank you, Senator.

The CHAIRMAN. All right, sir. The committee will have a 10-minute recess.

(Recess had.)

AFTER RECESS

The CHAIRMAN. The committee will come to order.

I believe that there are some lawyers here from out of town who are representing some of the witnesses who claim nonattendance on account of illness or sickness.

Sir, I believe you are from Cincinnati.

Mr. GOODMAN. That's right.

The CHAIRMAN. Will you come around, sir?

Mr. GOODMAN. My name is Sol Goodman. I am appearing on behalf of Samuel Schraeder.

The CHAIRMAN. What is your address?

Mr. GOODMAN. 1016 Union Trust, Cincinnati, Ohio.

The CHAIRMAN. All right. Do you want to sit down?

You are appearing on behalf of whom?

Mr. GOODMAN. Samuel Schraeder.

The CHAIRMAN. What is the situation, sir?

Mr. GOODMAN. Mr. Schraeder has been confined at the hospital since about the 30th of December of last year. I have here a certificate sworn to before a notary by Dr. Leon Schiff in which he certifies as to his condition and the fact that it would be against—it would be detrimental to the health of the patient to leave the hospital at this time.

The CHAIRMAN. How long has he been confined?

Mr. GOODMAN. He went into the hospital shortly before New Year's. Around the 30th of December of 1950.

The subpoena was served on him while he was at the hospital.

The CHAIRMAN. This affidavit will be made a part of the record.

For public information it states [reading]:

Entered the hospital on or about December 30, 1950, and has been under the constant care of affiant. Affiant states that he has been treating said patient for ulcerated colitis, and in his opinion it would be detrimental to the health of the patient to leave the hospital at this time.

Do you know when he will be able to leave the hospital?

Mr. GOODMAN. The doctor was not able to tell me, Senator.

The CHAIRMAN. Do you have any objection to us having someone examine him?

Mr. GOODMAN. I have none.

The CHAIRMAN. Let this be made a part of the record.

(Affidavit from Leon Schiff, M. D., is identified as exhibit No. 52, and appears in the appendix on p. 457.)

The CHAIRMAN. All right, Mr. Goodman.

Mr. DAVIES. Mr. Chairman, I am Daniel W. Davies of the Newport, Ky., bar, 331 York Street. I represent Albert R. Masterson.

The CHAIRMAN. Sit down, Mr. Davies.

Mr. DAVIES. Mr. Masterson upon hearing that a subpoena was issued called the United States marshal in Cincinnati, made himself available for service, and having heard that it was a forthwith subpoena was

there with a bag packed ready to come to Cleveland. The next day he was seized with an acute gall bladder attack which he had been receiving treatment for for a number of weeks.

He was taken by the fire department to a local hospital in Newport, or rather in Dayton, Ky. It is the only hospital in the county. On Tuesday of this week he was taken to Good Samaritan Hospital in Cincinnati where his gall bladder was removed by Dr. Louis Brinker.

Now, I couldn't communicate with Dr. Brinker until 8:30 Tuesday night, and it was a little late to get an affidavit, but I asked him about the possibility of his testifying here, and he said that he will be confined in the hospital for 2 weeks and should have 2 weeks without travel. However, if the committee should want to send an agent to our community to take his testimony, all questions of quorum or the presence of a member of the committee will be waived, if it is necessary to do so.

The CHAIRMAN. Dr. Louis Brinker is still his physician?

Mr. DAVIES. Oh, yes. There were two or three physicians in consultation.

The CHAIRMAN. And he is now in the Good Samaritan Hospital?

Mr. DAVIES. Good Samaritan Hospital at Cincinnati.

The CHAIRMAN. Will you have Dr. Brinker send the committee a telegram, Mr. Davies?

Mr. DAVIES. Well, Mr. Chairman, I can telephone my partner and have him go and get a sworn affidavit from him and probably have it here by airmail special delivery tomorrow.

The CHAIRMAN. All right. You have him send us a statement and Mr. Masterson then will remain under subpoena subject to further call.

Mr. DAVIES. That's right. He accepted service of it, Mr. Chairman, and was willing to come to Cleveland the day the marshal was there.

The CHAIRMAN. All right. Thank you, Mr. Davies.

Is there anyone else?

We have a letter of January 17 which will be made part of the record from Dr. John R. McKay, Warren, Ohio, in which he certifies that Sheriff Ralph Milliken of Warren, Ohio, suffers from severe angina pectoris due to chronic insufficiency of the coronary arteries. He has been a patient of his since April 9, 1947.

Last night Mr. Milliken suffered a severe attack which required large doses of morphine to quiet him. He is being admitted to the Trumbull Memorial Hospital today to determine whether or not he has had an occlusion of the coronary arteries.

Did you have someone?

Mr. McCORMICK. Dr. Louis Rezinski is going to make an examination at 6 o'clock tonight and report his findings to us.

The CHAIRMAN. Let this be made a part of the record.

(Letter from Dr. John R. McKay, Warren, Ohio, re physical condition of Sheriff Milliken, is identified as exhibit No. 53, and appears in the appendix on p. 457.)

The CHAIRMAN. Is there anyone else representing witnesses who are missing?

I am advised that this sheriff was here last Friday and talked with Mr. Nellis for about 2 hours and seemed to be in very good shape, but this doctor's statement, if he is in as bad shape as he appears in this statement, I don't see how he carries on as sheriff very well.

Who do you want next?

Mr. NELLIS. Mr. Rutkowski, Mr. Chairman.

The CHAIRMAN. Mr. Rutkowski, will you come around?

Mr. Rutkowski, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RUTKOWSKI. I do.

May I have the privilege of having Mr. Joseph Harrell, the supervisor, with me?

The CHAIRMAN. Yes, indeed. Mr. Joseph Harrell. Come around, Mr. Harrell.

You may have something to say, so we better swear you in, too.

Do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. HARRELL. I do.

**TESTIMONY OF ANTHONY RUTKOWSKI, CHIEF, ENFORCEMENT
DIVISION, OHIO DEPARTMENT OF LIQUOR CONTROL, ACCOMPANIED BY JOSEPH HARRELL, SUPERVISOR**

Mr. NELLIS. What is your name?

Mr. RUTKOWSKI. Anthony A. Rutkowski.

Mr. NELLIS. Do you have an official position with the State of Ohio?

Mr. RUTKOWSKI. Yes, sir. I am chief of the enforcement division of the Ohio Department of Liquor Control.

Mr. NELLIS. Are you the individual who under Governor Lausche's orders raided certain clubs in the State of Ohio in 1949?

Mr. RUTKOWSKI. Yes.

Mr. NELLIS. Do you have a statement to make in that connection, sir?

Mr. RUTKOWSKI. Yes.

The CHAIRMAN. Do you have a general statement you want to make before beginning?

Mr. RUTKOWSKI. Before testifying; yes.

As chief of the enforcement division of the Ohio Department of Liquor Control, it is my duty to see that the division enforces the liquor laws of the State of Ohio and also the regulations adopted by the Ohio Board of Liquor Control in reference to places that are licensed by the State of Ohio to sell intoxicating beverages.

We do not have any legal authority to attack gambling or raid gambling joints. Whatever work the enforcement division and I have done, Senator, has been done at the specific and the personal request of Governor Lausche, made to me to attack that problem. And I have selected men from the enforcement division who in—most of them have served in the United States Army during the last war because I have felt that they will serve their State as devotedly and as courageously as they have served their Nation.

So that I wish to make it clear that we have attacked the gambling problem by the use of special authority which the court has given to me in carrying out Governor Lausche's orders to attack the four major gambling joints in the State of Ohio.

Incidentally, may I also say to you, Senator, that when Governor Lausche referred in his testimony to the Harvard Club which was closed upon his specific orders in 1941, I was at that time assistant

county prosecutor of Cuyahoga County under Mr. Frank T. Cullitan, who is still the prosecutor of this county. I was the prosecutor that examined the mayor and the chief of police of Newburgh Heights before the grand jury. I was the county—the assistant county prosecutor that appeared at Judge Lausche's request at 2 o'clock in the morning in the criminal courts of Cuyahoga County when the 9 or 10 men who were arrested by the Cleveland Police Department under the direction of Inspector Blackwell, who made the raid at Judge Lausche's request—I represented the State at the arraignment at 2 o'clock in the morning; and I was one of the prosecutors that later tried those 9 or 10 men arrested in the Harvard Club, and they were found guilty and sentenced by the court. I think it was Judge Ewing who is now in court, I believe.

I believe with that preliminary remark I am prepared to answer any questions that the committee will put to me.

Mr. NELLIS. Mr. Rutkowski, we have had quite a bit of testimony concerning the Mounds, the Pettibone, the Jungle Inn, and the Colony Club; is that right?

Mr. RUTKOWSKI. Yes, sir.

Mr. NELLIS. Do you recall that, sir?

Mr. RUTKOWSKI. Yes, sir.

Mr. NELLIS. We don't want to cover that again but I would like at the outset because we have had some testimony on the Jungle Inn, Mr. Chairman, to have these photographs put in the record under Mr. Rutkowski's name as exhibits.

The CHAIRMAN. Is this the Jungle Inn or pictures inside or outside?

Mr. NELLIS. Would you explain them as you look at them, Mr. Rutkowski, briefly?

Mr. RUTKOWSKI. The first picture is a picture of the two buildings that comprise the Jungle Inn. The first building is a building in which was located an up-to-date bar and a kitchen and slot machines, and the office of the owners and operators of the building.

Mr. NELLIS. Who were they?

The CHAIRMAN. Let's get the picture marked exhibit No. 54.

(The picture identified was thereupon received in evidence as exhibit No. 54, and appears in the appendix on p. 458.)

Mr. RUTKOWSKI. I wish to finish the picture, Senator.

The CHAIRMAN. Yes, all right.

Mr. RUTKOWSKI. The office was equipped with an inter-office communication system with a speaker on which you could broadcast in that building and the next building. The next building is 5 feet away from the first building.

In the second building is where the gambling took place. That building was at the time of our raid, on August 12, 1949, had in it 83 slot machines, 3 dice tables, chuck-a-luck, roulette, bingo, and a race board, with about 30 or 40 employees and over 700 people engaged in various types of gambling.

The second picture is the picture of the inside of the gambling joint, in which we found the slot machines, the dice tables and the roulette.

This picture was taken after the removal of the gambling equipment but as you walked outside the main entrance to the place, there stood a dollar slot machine with a big sign on it which said, "You get a thousand dollars for a dollar if you hit the jackpot with the red light."

So they took the last dollar out of you before you left the premises. The CHAIRMAN. That will be exhibit No. 55.

(The picture identified was thereupon received in evidence as exhibit No. 55, and appears in the appendix on p. 459.)

Mr. RUTKOWSKI. Exhibit No. 56, Senator, is a picture of the inside of the gun turret.

The CHAIRMAN. Gun turret?

Mr. RUTKOWSKI. Yes, sir. This is a picture of the inside of the gun turret.

(The picture identified was thereupon received in evidence as exhibit No. 56, and appears in the appendix on p. 460.)

Mr. RUTKOWSKI. This picture shows a lot of paraphernalia in it, including the chair, and I believe that the opening on this picture is to the parking lot and rear of the gambling joint. However, I have another picture here, Senator, which shows—it shows the inside of the gun turret which, with the steel case in front of the opening which covered the entire gambling place, and this picture also shows a high chair on which the gunman sat with three blackjacks hanging on the chair even after the raid.

The CHAIRMAN. That will be exhibit No. 57.

(The picture identified was thereupon received in evidence as exhibit No. 57, and is on file with the committee.)

Mr. NELLIS. Mr. Rutkowski, can you relate to the chairman now the incident which occurred at the time of the raid involving this gun turret?

The CHAIRMAN. Maybe he has some other pictures he wants to identify.

Mr. RUTKOWSKI. I have one more picture, Senator. This is the picture that shows the gun turret inside of the gambling place, as to how it looked on the inside of the gambling place with the steel casing in front.

The CHAIRMAN. Exhibit No. 58.

(The picture identified was thereupon received in evidence as exhibit No. 58, and appears in the appendix on p. 461.)

The CHAIRMAN. There seems to be guns sticking out of there where everyone can see them.

Mr. RUTKOWSKI. Those are just brooms that the photographers put in there at the time the picture was taken after the raid.

After we made our entry into the Jungle Inn, Senator, and the people left the premises, things were in order, when a man that I later learned to be Mike Farah entered the premises. He was not on the premises at the time of the raid. The raid took place exactly at 9 p. m. on August 12, 1949. He came in about 9:30, and he came in and questioned my authority and commenced to use foul and indecent language against me and attempted to incite a riot.

At that time we had 20—18 of the gamblers who were operating the various gambling devices there arrested in charge of our men. And as he was walking out of the premises, after trying to incite a riot, he pushed one of the enforcement men at the door. A couple of the other enforcement men grappled with him, and he was successful in absconding.

At that time John Farah, who gave all the orders and who was the kingpin in this place, commenced to curse me and shouted orders,

using the word "Kill him, Goon, kill him, shoot him," and then he pointed to the gun turret that appears on exhibit No. 58.

That is the first time that I knew that there was a gun turret there, and I looked up and I saw the gun turret.

When the orders was not complied with, John Farah personally ran into the office, into the cashier's desk, into his private office and then ran in to the gun turret to carry out his order.

At that time, I later learned, one of my agents who was with me on the raid, when the order to kill me was issued, he ran to the gun turret. He grappled with the gunman and took the shotgun away from him and the gunman escaped. And then he noticed another shotgun in this turret and he emptied that.

When John Farah arrived there to carry out the order to kill me personally, the agent was there and prevented him from entering the gun turret to carry out his order.

After about 10 or 15 minutes, when everything subsided, this agent came out of the gun turret and came to me and reported what happened and gave me the shells, the shells from the two guns that he emptied in this gun turret, and here are the shells, seven shells.

The CHAIRMAN. Let's see. What gage?

Mr. RUTKOWSKI. Twelve gage, I think they are, Senator.

The CHAIRMAN. They are 12 gage, extra long range. What sort of shotguns were these, automatics?

Mr. RUTKOWSKI. No one has seen the shotguns, Senator, because as the agent came out of this gun turret, the door had a Yale lock on it and it closed, and in spite of my repeated requests, in spite of my repeated requests of Sheriff Millikin to go to the gun turret for the guns, he refused to go, and I have asked him repeatedly to go for the guns and he refused to go. In fact, the next day——

The CHAIRMAN. When did you ask him? I didn't understand.

Mr. RUTKOWSKI. Well, I asked him immediately upon his arrival at the Jungle Inn. We called the sheriff at 5 minutes after 9 through a short-wave radio set that we borrowed from the State highway patrol, and we were communicating with the Warren station of the State highway patrol, and they were transmitting our messages to whom-ever we wanted to.

We called the sheriff at 9:05 and he never arrived until 11:37, at which time I identified myself, presented my authority to search the premises and to confiscate the gambling equipment, and told him about the attempt to kill me, and asked him to go to the gun turret for the guns, and he wouldn't go.

In fact, the next day, at 7 o'clock in the evening, after we were in court and the court ordered the sheriff to confiscate and to seize all the gambling equipment, after we had loaded all the gambling equipment on vans to be moved to the storage house, the last thing that I did was, I made a request of the sheriff to go for the guns and he refused.

The CHAIRMAN. Did he question your authority to take out some equipment?

Mr. RUTKOWSKI. Yes, he did. I had shown him the search warrant and after he read the search warrant, he walked over directly to John Farah, without asking who was in charge or who was in authority, walked over directly to John Farah and talked to him about something. I don't know what the conversation was about. Then later

returned to me, at which time I asked him to arrest and to transport to the county jail the 18 men that we arrested, and then he proceeded to make arrangements to transport them to the county jail. He did transport them to the county jail; then when he came back I advised him that I was going to have the slot machines and the other gambling equipment moved onto vans that we had with us and move them to Columbus, he told me in no uncertain terms that I couldn't touch them and if—I asked him who would stop me and he said that he would, at which time the question arose as to the legality of our search warrants and our authority to seize the gambling equipment.

I suggested that he contact the county prosecutor, which he did, and finally, about 4:30 in the morning, the judge who issued the search warrant sent a message that we should not move the gambling equipment but to keep it under guard until the following morning when the question would be decided in court.

So that at 9 o'clock on Saturday morning, August 13, 1949, I appeared in court and after a hearing in court, the judge ordered the sheriff to go and take the slot machines and delegated me as the court's representative to jointly confiscate the gambling equipment with the sheriff.

Now, the gambling equipment, Senator, was destroyed, \$11,000 in money was confiscated; the defendants, 20 of them, including John Farah, all pled guilty, paid a total fine of \$4,500, and the fire marshal put a tear-down order on the building and it has been closed since August—August 14 or 15, 1949.

Mr. NELLIS. Mr. Rutkowski, would you tell the committee briefly about your raid on the Colony Club and answer specifically the following question: Did you find certain material in a locked drawer which you have turned over to the committee?

Mr. RUTKOWSKI. Yes, I have. The raid——

Mr. NELLIS. Pardon me. That was in Lawrence County.

Mr. RUTKOWSKI. Yes, sir.

Mr. NELLIS. Who is the sheriff of Lawrence County?

Mr. RUTKOWSKI. Peter A. Burke.

Mr. NELLIS. Proceed, Mr. Rutkowski.

The CHAIRMAN. Peter A. who?

Mr. NELLIS. Burke.

Mr. RUTKOWSKI. Peter A. Burke. On December 20, 1949, I took nine enforcement men from the department with me and I proceeded to see Judge Collier in Ironton of the common pleas court of Lawrence County and secured the search warrant from him to raid the Colony Club.

The Colony Club is a brick—is a stone building separated about 40 or 50 feet from the Continental Club. It is a successor to the Continental Club. Originally it was the Continental Club which is a separate and distinct building. Later on they built this building which is now known as the Colony Club. It was one operation.

The committee has heard testimony in reference to that and I have no desire to go into that, but it was one operation.

At 9 o'clock in the evening, Joe—Mr. Herold and I walked into the Colony Club, just the two of us, and got by the guard, and he attempted to stop us and we showed him the search warrant and questioned him; and then about 5 or 10 minutes later the rest of the men

arrived. At that time there was 250 people in the Colony Club playing bingo and there was five slot machines on exhibition.

Mr. NELLIS. Who was the owner of that club, Mr. Rutkowski?

Mr. RUTKOWSKI. Well, I believe that Mr. Giesey testified here today that it was the Cleveland syndicate.

Mr. NELLIS. You have heard——

Mr. RUTKOWSKI. I have heard the testimony. As far as—until I heard his testimony it was known throughout Lawrence County that William Schwartz was the front for the owners of the Colony Club.

Mr. NELLIS. He is from Huntington, W. Va.

Mr. RUTKOWSKI. Yes, sir.

Mr. NELLIS. He is the one that served time in the pen for manslaughter; the same man, isn't he?

Mr. RUTKOWSKI. Yes; the one that killed this guard here.

Mr. NELLIS. All right, sir. Now you have answered the question as to whether or not you found the material in the Colony Club; is that right?

Mr. RUTKOWSKI. Yes, sir.

Mr. NELLIS. I have no further questions, Mr. Chairman.

The CHAIRMAN. Maybe he will tell us more about the Colony Club or anything else he wants to tell us.

Mr. RUTKOWSKI. The only thing I wish to say——

The CHAIRMAN. Have you pictures?

Mr. RUTKOWSKI. These are the pictures of the Colony Club. It shows you the two buildings.

The CHAIRMAN. Let this group of pictures be marked as "Exhibit No. 59."

(The pictures identified were thereupon received in evidence as exhibit No. 59, and are on file with the committee.)

Mr. RUTKOWSKI. And the gun turret. There was a gun turret there and before we left, the last thing that the judge said to me after he gave me the authority to raid it was to be careful because there was a machine-gun turret in the premises.

The CHAIRMAN. Did it have a wire service?

Mr. RUTKOWSKI. They had a race board there but it is not on the pictures because at the time the pictures were taken the race board was torn off. The Colony Club is now closed.

The CHAIRMAN. All these places have a race board of some kind or another.

Mr. RUTKOWSKI. They all had it except the Mounds Club. The Colony Club at the time we arrested the nine men, we couldn't find the owner or the manager of the place so I—I received the keys from the janitor and I closed the place up and put the keys in a safety deposit box in the First National Bank of Ironton and the keys are still there and the place is still closed. The defendants pled guilty, were all fined \$500 and costs. After 9 months of litigation in the Supreme Court of Ohio as to the right of the judge to try that case. The place is now closed and out of business.

Mr. NELLIS. Mr. Rutkowski, are these some of the items which were found in that locked drawer?

Mr. HALLEY. Just look at them and say yes or no.

Mr. RUTKOWSKI. Yes; I can tell from here.

Mr. NELLIS. They are, aren't they?

Mr. RUTKOWSKI. Yes.

The CHAIRMAN. They are what you found in the drawer?

Mr. RUTKOWSKI. Those are the items. Those are the items which I delivered to you personally.

The CHAIRMAN. Put them in an envelope and keep them.

Mr. HALLEY. Mark them for identification.

Mr. McCORMICK. Sixty is coming up.

(The paper identified was thereupon received in evidence as exhibit No. 60, and is on file with the committee.)

Mr. HALLEY. Just one thing on another subject entirely: In connection with your work with the Ohio State Liquor Control Board, have you made any observations as to whether or not there are any known gangsters or former gangsters in the liquor business in this State?

Mr. RUTKOWSKI. Well, there isn't any question about it that they are in business. Many of them conceal their ownership by fictitious names. Take Jungle Inn, for example. They used the name of a man by the name of Steve Pappotas who had a permit. However, that permit was revoked by the Department in 1947 because of the operations of the Jungle Inn next door. But nothing was done about the gambling establishment until 1949 when Governor Lausche was elected Governor and I was appointed enforcement chief.

Now, under our law, if a man is convicted of a felony he is not able to hold a permit.

Mr. HALLEY. You are talking about a retail permit?

Mr. RUTKOWSKI. Retail permit to sell liquor, or any type of a permit, carry-out permit or a permit to manufacture liquor. If he is convicted of a felony he is not allowed to own a permit.

That belongs to the permit division, and I have enough problems in the enforcement, Mr. Halley, without being able to solve the problems of the permit division.

Mr. HALLEY. Do you know of any instances of racketeers or gangsters in any phase of the liquor business besides the retail business?

Mr. RUTKOWSKI. No, sir; I don't have any personal knowledge of it that I'd be able to prove.

Mr. HALLEY. Do you think that you could prove that there are some?

Mr. RUTKOWSKI. Yes. It would require hard work and the selection of men who are able to do undercover work of that kind, and I think it would be uncovered.

Mr. HALLEY. But what you are really saying is just your personal judgment now?

Mr. RUTKOWSKI. That's right. I don't have any personal knowledge that I could produce any evidence to that effect.

Mr. HALLEY. Thank you.

The CHAIRMAN. Mr. Rutkowski, as I understand it, the fire marshal and the liquor-control board, and the unemployment compensation, that you pooled all of your resources together and that they were placed under your charge to try to do whatever you could to close down these places. Is that the way it worked out?

Mr. RUTKOWSKI. Yes; that's right. Governor Lausche created a committee and gave us instructions to do everything we can to close these four big major commercialized gambling joints in Ohio.

The CHAIRMAN. Do you have any suggestions as to Federal legislation or recommendations for this committee?

Mr. RUTKOWSKI. Yes, Senator. I would like to suggest, in order to break up this powerful syndicate of gamblers operating gambling places in one State and living in another, that it may be possible to destroy them by the passage of legislation by the Congress which would make it a Federal offense punishable by penitentiary sentence for any person to keep, operate, conduct, own stock in a corporation which is conducting gambling in one State and he resides in another State.

The CHAIRMAN. In other words, where there is an interstate connection?

Mr. RUTKOWSKI. Yes. As far as the State is concerned—

The CHAIRMAN. In these cases that you have had here, you have had the wire service. Of course, that is an interstate angle. Of course, some of the people who have interest in them, I believe, live in other States.

Mr. RUTKOWSKI. Yes.

The CHAIRMAN. Is that true?

Mr. RUTKOWSKI. Yes.

The CHAIRMAN. Where are these Farahs?

Mr. RUTKOWSKI. Farahs are the war lords of Trumbull County.

The CHAIRMAN. What do you mean by war lords?

Mr. RUTKOWSKI. They are the kingpins of the jungle.

At the time of our raid, within a half hour after the raid was in progress, there was one or two hundred hoodlums in the parking lot on the outside, and we were unarmed on the inside, and they gathered, everyone who had any connection with crime in that vicinity, on the premises.

The CHAIRMAN. That is a very alarming statement, Mr. Rutkowski.

Mr. RUTKOWSKI. It is a matter—the Youngstown Vindicator had it on the front page of the newspaper.

The CHAIRMAN. What time did you make the raid? At 9 o'clock at night?

Mr. RUTKOWSKI. Yes.

The CHAIRMAN. At that time there weren't many people outside, were there?

Mr. RUTKOWSKI. There were guards there. There must have been 25 or 30 guards. The parking lot was filled with many cars, perhaps a couple hundred.

The CHAIRMAN. About what time did all these hoodlums gather?

Mr. RUTKOWSKI. They gathered there about—well, the sheriff got there 11:37—about 11 o'clock, or so. They were there after midnight. They were there all night.

I walked out of the building only once to talk to the Governor over the short-wave radio set. Outside of that, I never left the building.

The CHAIRMAN. What did you see when you got outside?

Mr. RUTKOWSKI. They were just banging around there and it was reported to me in the course of the raid, before the sheriff arrived—I believe it was about 10 o'clock—that they were making threats against my family, and I had the radio call put in to the Cleveland Police Department to put a guard on my home, and they very prompt-

ly and efficiently did, and the guard was there until I arrived the next day at 10 o'clock in the evening after the raid.

The CHAIRMAN. What has been your background experience, Mr. Rutkowski?

Mr. RUTKOWSKI. Well, I am a lawyer by profession, having been admitted in 1929.

In 1931 I was appointed assistant county prosecutor by the then county prosecutor of the county, Mr. Ray T. Miller, and continued in that office until 1941 under Mr. Frank T. Cullitan.

In 1941 I was appointed in charge of the police prosecutor's office when Frank J. Lausche was elected mayor of Cleveland, and I served in that capacity until 1946, at which time Mayor Lausche became Governor of Ohio and appointed me to the municipal bench of Cleveland.

In 1947 I retired to private practice by the will of the people.

In 1948 I practiced law.

In 1949 I returned to the service of the State at the request of Governor Lausche.

The CHAIRMAN. Well, we certainly want to compliment you upon the work you have done in this matter. You have done a great service in putting out of operation the four very large and vicious places.

We wish you continued good luck, and we want to thank you for helping Mr. Nellis and members of our committee very substantially.

Mr. Harrell, do you want to ask something?

Mr. HARRELL. No; I think Mr. Rutkowski has told you everything important.

Mr. RUTKOWSKI. Senator, may I add something?

I want to thank you for your very kind remarks, Senator, but I want to pay a high tribute to the courage and the devotion of the men who participated with me in making these raids, such as Mr. Harrell, Mr. Kocovar, the man that took the gun away from the gunman, and the others who did undercover work in the Pettibone case, Thomas Penasis, Donald Van Horne, and others. Without their courage, without their devotion, this work could not have been possibly done.

The CHAIRMAN. Well, it is good to find officers like the ones you have been talking about.

I think one of the troubles about law enforcement is that whenever officers do something that may not look correct, people are always willing to criticize, but they very rarely ever think to give a fellow a pat on the back or be thinking about a little better salary for him or better protection. That is one thing these crime commissions can do to mighty good effect is not only keep the spotlight of public opinion on mistakes that law-enforcement officers make but to take up their cause when they are not being treated right, and to see that they get recognition for the good jobs that they do.

So that your men and you are entitled to the commendation of the good people of Ohio for the work that you have done.

Mr. RUTKOWSKI. Thank you, Senator. May I make one more final statement?

I would like to call the attention of this committee to the most astounding situation in Ohio. It has reference to a suburb of the city of Cincinnati by the name of Elmwood Place, Ohio. There is a gambling place there by the name of Valley Cigar Store. It is 50

feet away from a public high school, and it is approximately 50 feet away from the city hall, and the mayor can sit in his office and look out the window and count the patrons that go into the gambling place.

The chief of police goes out of his office four times a day to direct the traffic to allow the children to cross over safely, cross the street safely, and the gambling place is in operation.

It is operated by a man by the name of Ike Himes, a book operator in Hamilton County, and if that situation is able to continue, I am fearful of the attitude of the children that go to that public school that have for years had to cross and pass the gambling place before they can get to school and get home from school.

Now, I was there with Mr. Harrell in March of 1949. They had a liquor permit in the building adjoining this gambling place, they call it the Maple Club, and by virtue of our testimony as to what transpired on that day, their liquor permit was canceled. They are out of business, but that gambling place is still in operation each day, and everybody knows it is a gambling place.

Now, if I don't have any authority to put that place out of business, I wish that I would. I would take action against it, because the children are going to get a terrible impression about what our democratic system of government stands for.

The CHAIRMAN. Mr. Rutkowski, it is only where you find a fire hazard or a violation of a liquor permit, or something of that sort, that you have the justification for your moving in, is that correct?

MR. RUTKOWSKI. Yes.

The CHAIRMAN. I was down at Toledo a couple of times not so long ago, and both down there and elsewhere, I called attention to the fact that there were some places operating in Toledo, and I was wondering how they operate and why they didn't close. I understand that your fire inspector was in these places and couldn't find any fire hazard in those particular instances.

MR. RUTKOWSKI. He didn't go there with my knowledge, Senator. I had no knowledge that he was there. I mean, the fire marshal acts separately and distinctly from me.

However, if it was a part of the operation of which I am chairman, I assure you that things would have been different.

If you have reference to the Webster Inn, Senator——

The CHAIRMAN. I don't know the names of them. I went by and saw them.

MR. RUTKOWSKI. We have been working on the Webster Inn, too, and the information that my investigators give me is that they close, and open up for a day or two and shoot a little dice, and close, and open again, move to another place.

However, if the State had authority, Senator, whereby the Governor could designate either the State highway patrol or the enforcement division of the Ohio Department of Liquor Control to attack gambling at his discretion, whenever he thought it was necessary because local law-enforcement officials do not do their duty, I believe that type of authority could wipe out the situation that we are talking about.

Up to now the Governor doesn't have any legal authority, and we have to, in effect, use subterfuge to go there to put them out of business, as we have done in these instances.

The CHAIRMAN. We have had some letters from persons making some complaints about situations down there.

Mr. RUTKOWSKI. Yes; we have confiscated. Senator, 107 slot machines in one building that had a permit issued by the department of liquor control, and by virtue of that authority, we have seized all those 107 slot machines.

The CHAIRMAN. Thank you very much, Mr. Rutkowski.

Thank you, Mr. Harrell.

Mr. Marshall, will you call Sheriff Peter A. Burke?

Are you Sheriff Burke? Do you solemnly swear the testimony you shall give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BURKE. I do.

TESTIMONY OF PETER A. BURKE, SHERIFF, LAWRENCE COUNTY, OHIO

Mr. NELLIS. Will you state your name, Sheriff?

Mr. BURKE. Peter A. Burke.

Mr. NELLIS. And you are the sheriff of Lawrence County?

Mr. BURKE. That is right.

Mr. NELLIS. And you became sheriff January 3, 1949?

Mr. BURKE. That is right.

Mr. NELLIS. And at that time, there was a notorious gambling joint running in your county called the Colony Club; is that right?

Mr. BURKE. I don't know the name of it, but that was it. I rather think it was called either that or the Continental at that time.

Mr. NELLIS. Either the Colony or the Continental at that time?

Mr. BURKE. That is right.

Mr. NELLIS. Do you know William Schwartz?

Mr. BURKE. I do.

Mr. NELLIS. And his brother, Howard Schwartz?

Mr. BURKE. I do.

Mr. NELLIS. Were they the operators of this place?

Mr. BURKE. I would rather think that William Schwartz was. I think so.

Mr. NELLIS. Were you ever in their homes?

Mr. BURKE. Not in their homes.

Mr. NELLIS. Were they in yours?

Mr. BURKE. No.

Mr. NELLIS. But you know them pretty well, don't you?

Mr. BURKE. I know both of them.

Mr. NELLIS. Do you have a deputy sheriff working in your office by the name of Maxine Lenz?

Mr. BURKE. I do.

Mr. NELLIS. And who is she?

Mr. BURKE. She has worked in my office since 1924, and is now a deputy sheriff clerk in the office.

Mr. NELLIS. And her husband is Clarence Lenz; is that right?

Mr. BURKE. That is right. They were married about 8 years after she became employed with me.

Mr. NELLIS. What is Mr. Lenz' business? Do you know?

Mr. BURKE. He hasn't done anything for the last 6 or 7 years, I think.

Mr. NELLIS. Well, you told us, didn't you, that he was employed at the Colony Club and at various gambling establishments?

Mr. BURKE. He had been earlier, but he hasn't been employed up there for I don't imagine about 6 years.

The CHAIRMAN. Well, was he employed there a long time?

Mr. BURKE. He had been, I should think, earlier. Maybe 4 to 5 years.

The CHAIRMAN. Well, you knew that, didn't you?

Mr. BURKE. I did.

Mr. NELLIS. Mr. Chairman, I desire to place in evidence at this time some material referred to by the previous witness as having been found behind lock and key at the Colony Club when it was raided, and identify this as a telephone bill, December 1948, from the Chesapeake Telephone Co., addressed to Clarence Lenz, for payment, who is the husband of the sheriff's present deputy.

The CHAIRMAN. Well, all these have been put in as having been found there. If you want to ask the witness about them——

Mr. NELLIS. I wanted to identify them.

The CHAIRMAN. Well, they are in evidence. [Refer to exhibit No. 60.]

Mr. NELLIS. Do you know anything about that?

Mr. BURKE. No, I wouldn't.

Mr. NELLIS. Take a look at it. Is that the Clarence Lenz you know?

Mr. BURKE. It is.

Mr. NELLIS. Now, do you recognize these? Read them off, will you please, one by one [hands stack of cards to witness]?

Mr. BURKE. United Steel Gas Co., \$2.80; Lawrence County Water Co., \$1.50——

Mr. NELLIS. No, no; read one side first and then the other side, if you please.

Mr. BURKE. That is "Peter A. Burke, 554 Third Avenue, Chesapeake, Ohio."

The CHAIRMAN. What is on the other side?

Mr. BURKE. \$2.80, the gas bill.

Mr. NELLIS. Was this addressed to you?

Mr. BURKE. It was. It must have been. That is the first I had ever seen or heard of anything like that.

Mr. NELLIS. Continue, Mr. Burke.

Mr. BURKE. And the same thing is true on a water bill from the Lawrence County Water Co. for \$1.50.

Mr. NELLIS. Who is it addressed to?

Mr. BURKE. P. A. Burke.

Mr. NELLIS. Is that you?

Mr. BURKE. That is.

Mr. NELLIS. And another one for \$1.50 from the water company, addressed to P. A. Burke; one from the Lawrence County Water Co. for \$1.50. P. A. Burke; one from the United Fuel Gas Co. for \$1.20; one from the United Fuel Gas Co. for \$2; one from the Lawrence County Water Co. for \$1.50; one from the United Fuel Gas Co. for \$1.20; one from the Lawrence County Water Co. for \$2.62; one from——

The CHAIRMAN. What dates are those, Mr. Burke?

Mr. BURKE. February 24, 1944, this one.

One is July 24, 1944, for \$1.50; Lawrence County Water Co.; and one is October 24, 1944.

The CHAIRMAN. Well, there are a number of others which seem to be water and gas bills.

Mr. BURKE. All the same.

Mr. NELLIS. Now, did you hear the testimony of the previous witness?

Mr. BURKE. I did not.

Mr. NELLIS. Well, for your information, Mr. Rutkowski testified that during the course of a raid on this notorious gambling joint, he found these bills behind lock and key in the Colony Club, in a drawer.

Do you have any explanation of that?

Mr. BURKE. None whatever. Because I have never had any connection with any gambling establishment anywhere.

Mr. NELLIS. I have no further questions, Mr. Chairman, at this time.

Mr. HALLEY. What is your address?

Mr. BURKE. 626 South Fifth Street at that time.

Mr. HALLEY. Did you ever live at 554 Third Avenue, Chesapeake?

Mr. BURKE. Never in my life. Don't even know where the address is.

Mr. HALLEY. Is that the location of the Colony Club?

Mr. BURKE. I wouldn't know that.

Mr. HALLEY. Do you have the address of the Colony Club? These bills are addressed to you at 554 Third Avenue, Chesapeake, Ohio.

Mr. BURKE. I never lived in Chesapeake in my life. Don't even know where it is.

Mr. HALLEY. Well, you don't personally live in Chesapeake?

Mr. BURKE. Never have, never have lived outside of the two addresses in Ironton.

Mr. HALLEY. So if bills landed in the Colony Club addressed to you in Chesapeake—

Mr. BURKE. Somebody has evidently used my name in former years for some kind of a foil.

Mr. HALLEY. But for some reason or other somebody at the Colony Club was using your name, weren't they?

Mr. BURKE. They would seem so.

Mr. HALLEY. Do you own a house yourself?

Mr. BURKE. I do.

Mr. HALLEY. These are water bills. But you would get your own water bills for your own house. These aren't the water bills for your house.

Mr. BURKE. Those are not, absolutely.

Mr. HALLEY. Are these the bills for the club, would you know?

Mr. BURKE. I wouldn't know that. I don't know the address of the club.

Mr. HALLEY. Would you know if these are the bills for the club?

Mr. NELLIS. That is the only identification I have on them.

Mr. HALLEY. Just that they were found in the club?

Mr. NELLIS. That is right.

Mr. HALLEY. And addressed to Mr. Burke at Chesapeake?

Mr. NELLIS. Yes.

Mr. HALLEY. You would have no explanation for it?

Mr. BURKE. As far as I know, I wouldn't have any explanation for that, yet. I am going to find out for sure. I know that.

The CHAIRMAN. Well, your initials are P. A. B-u-r-k-e? Is that the way you spell it?

Mr. BURKE. That is right.

The CHAIRMAN. Who paid your bills? Did you pay them yourself?

Mr. BURKE. I have always paid my own utility bills.

The CHAIRMAN. Your water and gas bill?

Mr. BURKE. Yes, sir.

Mr. HALLEY. Is Mr. Rutkowski here?

A VOICE. Outside.

The CHAIRMAN. What is this, do you know, Sheriff [displaying pad of tickets]?

Mr. BURKE. I do not.

The CHAIRMAN. Is that something used in horse betting, do you know?

Mr. BURKE. I don't know much about horse betting, because I never bet them.

Mr. HALLEY. Where is the Colony Club located in Chesapeake?

Mr. BURKE. It is located on Route 52, right on Main Street, in Chesapeake, Ohio, about 18 or 20 miles outside of Ironton.

Mr. HALLEY. Well, among these documents you said you found in the club are some bills addressed to P. A. Burke, at 554 Third Avenue, Chesapeake.

Mr. BURKE. Yes. They were right in with the rest of the records in the club under lock and key in compartments.

Mr. HALLEY. Now, is 554 Third Avenue the premises of the club?

Mr. BURKE. That is the premises of the guard's home between the Colony Club and the Continental Club. That is the guardhouse in the center. The picture will indicate which building.

Mr. HALLEY. Why would anybody be addressing you at the guardhouse of the Colony Club?

Mr. BURKE. That is beyond me. I intend to find out.

Mr. HALLEY. Do you know any other P. A. Burke in the vicinity?

Mr. BURKE. Not that I know of.

The CHAIRMAN. Some of these bills, most of them, are marked "Paid." They are apparently receipts.

Mr. NELLIS. They are receipts for payment.

The CHAIRMAN. Receipts for payment.

Mr. HALLEY. Now, did you ever open up a water account or a gas account for any premises in Chesapeake, Ohio?

Mr. BURKE. No. The only thing I ever did, I guaranteed a water account for a man named Burke Trentner at one time, and he said it would cost me about \$20.

Mr. HALLEY. Now, who is Burke Trentner?

Mr. BURKE. He was publicity man for the Continental when it first opened.

Mr. HALLEY. The Continental?

Mr. BURKE. Yes, sir.

Mr. HALLEY. That is one of these gambling clubs.

Mr. BURKE. Yes, sir; that was probably in about 1941.

Mr. NELLIS. Why didn't you answer when I asked you if you had any explanation for it?

Mr. BURKE. Well, there is no explanation for it. I never signed as an owner; I signed as a guarantor and should never have received a bill for it.

Mr. HALLEY. Well now, if we go over to that Lawrence County Water Co., are we going to find an application for water signed by you for these premises?

Mr. BURKE. I don't think you will.

Mr. HALLEY. What did you sign?

Mr. BURKE. I didn't sign anything.

Mr. HALLEY. Well, you signed something that resulted in the bills coming to that address in your name.

Mr. BURKE. There wouldn't be any—I don't think you will find any written application with that water company at all. They probably just—somebody has told them to turn that on, I should imagine, but it was nothing—

Mr. HALLEY. Well, who was this man connected with the Continental Club?

Mr. BURKE. His name was Trentner. He was the publicity man for them, at that time, and had filed an advertising contract with me.

Mr. HALLEY. What kind of advertising contract did he have with you?

Mr. BURKE. Well, that was the Ironton News, of which I am president.

Mr. HALLEY. The what News?

Mr. BURKE. The Ironton News Publishing Co., the newspaper which I run.

Mr. HALLEY. You publish a newspaper now?

Mr. BURKE. That is right

Mr. HALLEY. And this man was also your pressman; is that right?

Mr. BURKE. No, the only thing he did was come in for an ad, and he told me he wanted a guaranty on a water bill, and I signed a guarantor certificate.

Mr. HALLEY. You mean he advertised the Continental Club in your newspaper?

Mr. BURKE. Yes; when it first started it was strictly a night club, without any kind of gambling.

Mr. HALLEY. Now, why would he want your name as guarantor, for a \$20 water bill?

Mr. BURKE. I don't know.

Mr. HALLEY. It doesn't make much sense, does it?

Mr. BURKE. He had to have a residence of some kind to sign it.

Mr. HALLEY. So you acted as the legitimate front for him; is that it?

Mr. BURKE. That is right, if he owned the house.

Mr. HALLEY. Did you later find out that this Continental Club was operating as a gambling place?

Mr. BURKE. Yes, sir; I did.

Mr. HALLEY. You never thought to get the water turned off?

Mr. BURKE. No, I don't. I didn't even know how far—how soon the guaranty, because I had never got a bill of any kind from him for that, I never.

Mr. HALLEY. How about the gas bill? Did you guarantee that?

Mr. BURKE. That was the one I did guarantee.

Mr. HALLEY. The gas bill?

Mr. BURKE. The water. You don't hardly—there was no guaranty must have been required because I didn't—I didn't sign any card for any water bill.

Mr. HALLEY. You and your deputy, J. C. Lenz, seem to have thought of—

Mr. BURKE. He is not a deputy.

Mr. HALLEY. A running—

Mr. BURKE. Mr. Lenz is not a deputy.

Mr. HALLEY. The deputy's husband.

Mr. BURKE. That's right, and he wasn't, I don't think he—they were married at that time. They may have been.

Mr. HALLEY. At what time?

Mr. BURKE. When—early when that club opened I don't think they were even married.

Mr. HALLEY. When did they get married?

Mr. BURKE. I don't know about that, but there was some time along after she worked for me. I ran the squire's office and she handled the entire squire's office.

Mr. HALLEY. She still works for you?

Mr. BURKE. That's right, she did for 19 years in the squire's office, and then right now, still now. She is very efficient.

Mr. HALLEY. Then she married this man who was working—

Mr. BURKE. For the Continental.

Mr. HALLEY. For the gambling club?

Mr. BURKE. That just happened as a matter of course, I imagine.

Mr. HALLEY. You knew all about it?

Mr. BURKE. Knew she got married, sure.

Mr. HALLEY. You knew he was working for the gambling club?

Mr. BURKE. Yes, I knew it.

Mr. HALLEY. Why didn't you ever shut down these clubs, Sheriff?

Mr. BURKE. I was only in there a few months. The Continental Club only ran 20 days after I became sheriff.

Mr. HALLEY. Did you shut it down?

Mr. BURKE. Well, we had a grand jury and they all shut everything down; and after that, I think after October, I think the Governor was down to Ironton in October and the club wasn't going at that time, as far as I knew, and he said that he—he congratulated us on the shape of the county at that time. In October that was.

Mr. HALLEY. How about the Colony Club?

Mr. BURKE. Colony Club, that's what I think opened up shortly after that.

Mr. HALLEY. Did you ever shut down the Colony Club?

Mr. BURKE. Well, only when Mr. Rutkowski called for us there, we did.

Mr. HALLEY. Why didn't you ever—

Mr. BURKE. There hasn't been any vigorous enforcement of any gambling laws; it had been going on down there. It is in better shape now than it has been in the past 40 years.

Mr. HALLEY. We understand that it is due to Governor Lausche's interest. Why didn't you ever take any action yourself?

Mr. BURKE. I was new on the job; I was getting acclimated.

Mr. HALLEY. You must have been pretty well acclimated when you signed that gas guaranty.

Mr. BURKE. I wouldn't have anything—I have never been in a gambling house.

Mr. HALLEY. You are the press agent for this house?

Mr. BURKE. I wasn't press agent.

Mr. HALLEY. You knew them?

Mr. BURKE. Oh, sure, I knew him. He fixed up the advertising.

Mr. HALLEY. You knew him well enough to guarantee the bill for him?

Mr. BURKE. He fixed up the advertising. These are the checks that you asked for, for 2 years.

Mr. CHAIRMAN. Let's see them.

Mr. HALLEY. And you have never at any time taken any action yourself?

Mr. BURKE. Oh, that time, no, because I don't—they haven't been running nightly.

Mr. HALLEY. Well, you didn't until the Governor shut them down?

Mr. BURKE. That's right.

Mr. HALLEY. Do you think it is a good thing for law enforcement for the sheriff of the county to have his name on the gas and water bills of a notorious gambling house?

Mr. BURKE. Not if he knew it.

Mr. HALLEY. Well, you certainly knew about the gas.

Mr. BURKE. Only the guaranty, that one, that certainly should put your name on a water bill, I don't—because I——

Mr. HALLEY. You put your name on the gas bill, anyway.

Mr. BURKE. I don't think so.

Mr. HALLEY. You signed this guaranty?

Mr. BURKE. That's right.

Mr. HALLEY. I think you said they had to have a resident, a legitimate resident in whose name it could be opened.

Mr. BURKE. That's right.

Mr. HALLEY. So you, the sheriff, turned out to be the legitimate citizen.

Mr. BURKE. I wasn't sheriff then. I was a reporter on a newspaper, newspaperman at that time, sort of rambling around generally. I wasn't a law-enforcement agent then. That probably would have been—I don't know what years they were, but, anyway, I wasn't—I didn't have any idea of being a sheriff.

Mr. HALLEY. When did you decide to run for sheriff?

Mr. BURKE. Oh, I think the party usually decides those things. I think it was done somewhere about 1948.

Mr. HALLEY. When were you elected? In the fall of 1948?

Mr. BURKE. That's right.

Mr. HALLEY. Did you receive any campaign contributions?

Mr. BURKE. Not—Mr.—I think Mr. McKaren offered me some.

Mr. HALLEY. Mr. who?

Mr. BURKE. Mr. McKaren.

Mr. HALLEY. What is his business?

Mr. BURKE. He is an attorney. He is Democrat attorney and sort of looked after my campaign interest.

Mr. NELLIS. Hasn't this Mr. McKaren represented the Colony Club?

Mr. BURKE. He has probably but not for the last 4 or 5 years.

Mr. NELLIS. But he has been? You told us that?

Mr. BURKE. In times past.

Mr. NELLIS. That is right. And the Colony Club, too?

Mr. BURKE. He never represented the Colony Club, I don't think.

Mr. HALLEY. They are one and the same thing, aren't they?

Mr. BURKE. Probably——

Mr. NELLIS. They are, aren't they?

Mr. BURKE. I couldn't figure that.

Mr. HALLEY. Did anyone else—

Mr. BURKE. They have different names and different corporations. It's possible, I don't know.

Mr. HALLEY. Do you know—

Mr. BURKE. I don't know the inner workings of the whole outfit.

Mr. HALLEY. Do you know of any of the other people who were connected with these clubs, say "hello" to them?

You know who they were?

Mr. BURKE. Only the ones—I knew the Schwartzes.

Mr. HALLEY. You knew Schwartz?

Mr. BURKE. Yes, I still do.

Mr. HALLEY. Friends of yours?

Mr. BURKE. No more than ordinary with any person who you meet casually, I don't.

Mr. HALLEY. The only men who made any contributions to your campaign was this man who is this lawyer?

Mr. BURKE. He probably raised the fund. I wouldn't know where he got it but I wouldn't inquire, I wasn't interested.

Mr. HALLEY. He was your campaign manager?

Mr. BURKE. Well, that more than likely; yes.

Mr. HALLEY. It would put you in a rather difficult position to go after his clients, wouldn't it? I mean it would be a little embarrassing, anyhow, wouldn't it, sheriff?

Mr. BURKE. They haven't been clients for 4 or 5 years.

Mr. NELLIS. But he has been connected with them for a long time, hasn't he?

Mr. BURKE. Yes, but you would think after he broke off, he wouldn't have any longer any connection unless I don't understand law very well.

Mr. NELLIS. Is this Bert Tratler still around?

Mr. BURKE. I don't know. I haven't seen him for years.

Mr. NELLIS. How long since you have seen him?

Mr. BURKE. Probably I think he went to Florida some years ago, I don't know.

Mr. NELLIS. How long ago?

Mr. BURKE. I don't know.

The CHAIRMAN. All right. Anything else, gentlemen?

Mr. NELLIS. I have one more question, Mr. Chairman.

In 1944 you had some gambling winnings, didn't you?

Mr. BURKE. 1944?

Mr. NELLIS. Yes. What were they?

Mr. BURKE. Well, I had visited the race tracks at Keenland, I went to Beulah, and various other places. I know—I think I won \$1,008 at one of the places.

Mr. NELLIS. How much did you win?

Mr. BURKE. I think I won \$1,008. That is the nearest I can remember because that was the only good one I ever had.

Mr. NELLIS. I have no other questions.

The CHAIRMAN. I notice here, sheriff, that Clarence Lenz had telephone bills here monthly of about seventy-odd dollars, sometimes \$99, also the monthly gas and water bill amounting to pretty sub-

stantial amounts every month, and these are in 1948 and 1947 and even in 1949. These apparently have been paid and they were found——

Mr. BURKE. I don't think he has ever had any connection with it. In fact, I think he has been ill and hasn't had any connection with that place up there for approximately 6 years, as far as I know. At least, that's what his wife told me and I tried to refresh my memory on it by asking her.

The CHAIRMAN. Now these bills together run something over a hundred dollars a month. Can you give any explanation of why they would be paying Mr. Lenz' account?

Mr. BURKE. No; I wouldn't know that at all. I wouldn't know that at all.

Mr. HALLEY. He had an important job there. He was the manager, wasn't he, at the Colony Club?

Mr. BURKE. Probably in name. I don't know.

Mr. HALLEY. What do you mean "in name?"

Mr. BURKE. I should imagine that he was probably in there at least, the manager of the—local manager, at least.

Mr. HALLEY. He was the local manager?

Mr. BURKE. I think so.

Mr. HALLEY. He ran the place?

Mr. BURKE. Uh, huh.

Mr. HALLEY. And he married this girl you had had with you for twenty-odd years?

Mr. BURKE. That is right.

The CHAIRMAN. Who is Fred H. Horn, do you know?

Mr. BURKE. He is now deceased.

The CHAIRMAN. Who was he?

Mr. BURKE. He was a Crystal Ice Manufacturing Co. official.

The CHAIRMAN. Was he connected with you?

Mr. BURKE. None whatever.

The CHAIRMAN. William Potet.

Mr. BURKE. No, William—he now runs the Swan Restaurant in Burlington, Ohio.

The CHAIRMAN. How about the Hickory Club? Do you know anything about that?

Mr. BURKE. No, sir, I don't.

The CHAIRMAN. Well, you have got the Swan Club running out there right now, haven't you?

Mr. BURKE. They run a bingo, so far as I know.

The CHAIRMAN. Well, they are running some sort of gambling operation, aren't they?

Mr. BURKE. We indicted one fellow for bingo and it has never been brought to trial.

The CHAIRMAN. Is the Swan Club running right now?

Mr. BURKE. Not as I know, they aren't, not as far as any gambling is concerned. It is bingo. If they are going to call it gambling, why we are going to have some action taken to find someone guilty on it.

The CHAIRMAN. The Hickory Club is running, isn't it?

Mr. BURKE. The Hickory Club I don't think it has ever run for 15 years, 12 years at least.

The CHAIRMAN. Would it surprise you to hear of a bill addressed to the Hickory Club in 1948, June 1948, for gas, for water?

Mr. BURKE. They may be keeping up their facilities, but they haven't ever run any kind of an operation.

The CHAIRMAN. How about the Valley Club?

Mr. BURKE. The Valley?

The CHAIRMAN. Valley Lee.

Mr. BURKE. That is a restaurant there.

The CHAIRMAN. Isn't that a bingo place, too, or something like that?

Mr. BURKE. No.

The CHAIRMAN. Sir?

Mr. BURKE. No, sir.

The CHAIRMAN. Mr. Klein, the sheriff's records and what not?

Mr. NELLIS. Sheriff, have you ever read the law with respect to what sheriffs should do in a county to enforce the law?

Mr. BURKE. I have.

Mr. NELLIS. You know your duties?

Mr. BURKE. Uh-huh.

Mr. NELLIS. What are they?

Mr. BURKE. Well, to enforce the law in all respects, and be a servant of the court.

Mr. NELLIS. Are you the chief law-enforcement officer in the county?

Mr. BURKE. That's right.

The CHAIRMAN. Sheriff, perhaps later this afternoon we can return books, or most of the books and records you have filed with us, if you will keep in touch with us. You remain under subpoena, Sheriff, in case we want to call you back again.

All right, that is all.

Mr. Ed Allen, please.

Mr. Allen, do you solemnly swear the testimony you will give will be the whole truth, so help you God?

Mr. ALLEN. I do.

The CHAIRMAN. Let's get down to the point we're talking about here.

TESTIMONY OF EDWARD J. ALLEN, CHIEF OF POLICE, YOUNGSTOWN, OHIO

Mr. NELLIS. Will you identify yourself? Do you have an official capacity?

Mr. ALLEN. My name is Edward J. Allen. I am police chief of Youngstown, Ohio.

Mr. NELLIS. What county is that in, Mr. Allen?

Mr. ALLEN. Mahoning County.

The CHAIRMAN. Just a minute. We will have to have better order than this, gentlemen.

Mr. NELLIS. What county is that, chief?

Mr. ALLEN. Mahoning County.

Mr. NELLIS. Do you have a prepared statement to make in connection with law enforcement in Mahoning and Trumbull Counties?

Mr. ALLEN. Well, not a prepared statement but I can give you some very good background.

Mr. NELLIS. Did you prepare a chart from which to testify?

Mr. ALLEN. Yes; I have.

Mr. NELLIS. Is this the reproduction of it?

Mr. ALLEN. That's correct; yes, sir.

Mr. NELLIS. All right, may we have that while the chief testifies?

Mr. ALLEN. Yes.

The CHAIRMAN. Let's make this exhibit No. 61.

Mr. NELLIS. Exhibit No. 61 to Chief Allen's testimony.

(The chart identified was thereupon received in evidence as exhibit No. 61, and appears in the appendix on p. 462.)

Mr. NELLIS. To expedite it, maybe the Senator could look at this small chart, and the attorneys, and the chairman, before we take any pictures of this chart I would rather that we have the testimony of the chief because I don't want to do anybody an injustice on this chart. We will keep it here. We will keep it and let you take pictures as he discusses it.

All right, Chief, let's get going.

Mr. ALLEN. Upon my entrance into Youngstown as police chief in January 1948, until the present time, we have been engaged in more or less of a continuous battle with some elements of criminal gangdom, most of the power which stems from the Licavoli gang, sometimes called the Purple Gang, which originated in Detroit, and some of its earlier members prior to the time of that, from St. Louis, Mo.

Prior to 1948, the bookie situation in Youngstown was organized by members of this group and three men of which—that is, three members of which demanded and received 50 percent of the local take from the various bookies that operated in Youngstown, Ohio.

That operation began in about March of 1945 and continued up until the beginning of 1948.

The three members sharing in this profit from the bookie business were Joseph Aeillo, one Dominic Caputo, and Joseph DiCarlo.

This situation continued until the beginning of 1948, from March of 1945.

Mr. HALLEY. The basis for that statement is your official investigation?

Mr. ALLEN. That's correct, Mr. Halley.

Mr. HALLEY. You received written statements from various people?

Mr. ALLEN. That's correct. And through personal interviews with many of the bookies and with the participants themselves, particularly Joseph Aeillo.

Mr. HALLEY. Did the participant Aeillo admit receiving 50 percent?

Mr. ALLEN. That's correct.

Mr. HALLEY. Did you ascertain how they were able to get the 50 percent take?

Mr. ALLEN. They had—the two of them, Aeillo and Caputo, visited each bookie personally and stated that if they wanted to operate from then on, they would have to pay 50 percent of their profits to them, in return for which they made an investment in each one of the bookies.

Many of the bookies were recalcitrant at first but they discovered, so they told me, that they had the political in and so they succumbed to the muscle, as they referred to it, stating that half a loaf was better than none.

Mr. HALLEY. What do you mean by that, a political in? How would that affect the bookies? With whom did they have the political in and what was it?

Mr. ALLEN. The then county chairman of the reigning administration who permitted them to organize on this basis:

Mr. HALLEY. What could the county chairman have done to the bookies who refused to permit the muscle?

Mr. ALLEN. He could have ordered the mayor, who, in turn, could have ordered the chief of police to close them up.

Mr. HALLEY. Did that happen in any case?

Mr. ALLEN. Not prior to 1948. And they also, at least they had the bookies, constrained the bookies to believe that they also consulted the wire service which operated out of Youngstown at that time and had for about a quarter of a century, which service was the Empire News Service operated locally by a man named Sam Alperin, who stated in the interview with me that he worked for Mushy Wexler who, in turn, rendered the service from the Continental Press and Arthur McBride of Cleveland.

Mr. HALLEY. How did these three newcomers control the wire service? How were they able to influence it?

Mr. ALLEN. Through the same political power that Aeillo had with the reigning political administration. In other words, the operation from Youngstown, Ohio, was permitted by the powers that be, and from Youngstown the race wire news was broadcast to the entire State of Ohio.

The CHAIRMAN. Let's get to this diagram here so we can get it in the record. I mean, you make your own statement in your own way.

You have got here Licavoli gang and associates, and you have got down next Peter Licavoli, Detroit, Mich., Tucson, Ariz., connections throughout the U. S. A.

Just tell us about the whole matter.

Mr. ALLEN. Peter Licavoli is a cousin of James Licavoli, down one step further in the chart, whose criminal record shows that he has operated in St. Louis, Detroit, Toledo, and Cleveland.

He is the mentor or the supporter of Joseph Aeillo in the city of Youngstown insofar as financial backing is concerned, and he has been known on occasions to furnish Aeillo with funds which he could operate with.

Aeillo was under the Mahoning County.

Mr. HALLEY. That is Joseph "Fats" Aeillo?

Mr. ALLEN. That is correct.

Joseph DiCarlo, who heads that list, was originally from Buffalo, N. Y., with a long-time criminal record there, and has a long-standing local Buffalo reputation as heading the rackets in that city. He was sent to jail for his last term in 1945, and was released on January 10, 1946, after which he came to Cleveland for a short time, and was advised to go to Youngstown, Ohio, and there to associate and organize the rackets which had been partially organized at that time by Aeillo and Caputo. Caputo has since moved to Miami, Fla.

Joseph Aeillo was subsequently arrested on August of 1948 on a local ordinance in which trial much of this testimony that I am giving you now came out, and he was convicted on a local ordinance called the Suspicious Persons Act, which carried the maximum number of 30-day sentence.

He immediately appealed the sentence and it is in litigation and has been in litigation ever since. I understand that just yesterday the Supreme Court of Ohio heard the case.

He was convicted by a jury, and the appellate court did not hold that the evidence under which he was convicted was faulty, but it attacked

the Suspicious Persons Act, the law itself, stating that the law was unconstitutional because of the fact that when it had been passed by city council some 25 years ago, it was passed under an emergency measure, and the council at that time had failed to state the nature of the emergency, and, therefore, the law itself was unconstitutional.

The city, of course, immediately appealed that appellate court decision to the Supreme Court of Ohio, because the decision affects so many other city ordinances that had been passed under emergency measure, and that is now under advisement of the Supreme Court.

I point out that from the day he was arrested in August of 1948, he spent but 1 night in jail, and it is now, of course, January 1951.

Tony D'Allassandro, who is in the Mahoning County District—I think if I present this picture to you—

The CHAIRMAN. Has he got a criminal record?

Mr. ALLEN. Yes; he has. I think he was released from a robbery charge in 1946.

The CHAIRMAN. This picture you have presented me with we will make an exhibit. It will be exhibit No. 62.

(Exhibit No. 62 is on file with the committee.)

Tell us what the picture is.

Mr. ALLEN. It is a picture of six men who were arrested in the city of Detroit, March 9, 1948: Frank Cammerata, Joseph Bommarito, another man named Joseph Bommarito, Dave Feldman, John Licavoli, and Dominic Licavoli.

Now, this arrest came about as an aftermath of an armed robbery that came about in Youngstown, Ohio, at New Year's Eve, 19— well, 1948—December 31, 1947. A local resident was robbed of some valuable furs in February of that year, I believe it was February 21. This Tony D'Allassandro, Joseph Giordano, were arrested in Detroit, as they alighted from a plane in possession of these stolen furs.

D'Allassandro has a sister with whom James Licavoli lives in Cleveland, and they were to deliver these furs, fence them somehow through this Detroit group, and the Detroit police located that group of men, as a result of which one of them, Frank Cammerata, who was in this country illegally, was sent to Ellis Island for deportation—for re-deportation, that is, and he was there during March and through April, April 20, 1948, at which time he was released by virtue of a congressional—a private bill presented to the United States Congress by the Congressman Michael Kirwan from the Youngstown district.

The CHAIRMAN. When was that?

Mr. ALLEN. The first bill was presented April 20, I believe, of 1948. When that bill ran out at the end of that Congress, another such bill was presented in the Eighty-first Congress on March 29, 1949, which asked the Congress to cancel the deportation proceedings presently pending against Francesco Cammerata, and then to present two bills in Congress which would have prevented the Immigration Bureau from redeporting this man, who, incidentally, is a brother-in-law of Pete Licavoli, married to Pete's sister, then residing in Warren, Ohio.

The CHAIRMAN. I recall, Chief Allen, that you called this matter to my attention that the bill was filed by Congressman Kirwan. The bill was called to my attention sometime—was in August or July?

Mr. ALLEN. In June, I believe.

The CHAIRMAN. 1949.

Mr. ALLEN. That's correct.

The CHAIRMAN. And I asked Mr. Kirwan about it, and told him I thought he ought to make a statement, or he said he did want to make a statement about what it was about, and he said that the recommendation had been made to him, and he did note in the record that the man had a wife and three children, and he probably did some investigating to see whether the fellow was entitled to any relief, and that the Department of Justice had reported that he was not entitled to relief.

Has any bill been filed since then?

Mr. ALLEN. Not to my knowledge, but there has been contact between the two men since then.

The CHAIRMAN. You don't know whether or not a bill has been filed?

Mr. ALLEN. No. This present bill would have died with this past Congress around the first of the year. At the time he made his statement, he did say that he was withdrawing his support of the bill, and the congressional committee said that it would be killed on July 28, 1950. However, it was not killed, and it remained in that status until the Congress itself died.

The CHAIRMAN. But it was never acted upon by the committee one way or the other?

I mean, the committee never reported out the bill or Congress never passed it?

Mr. ALLEN. It stayed in committee, as did the other one, the other one previous to that.

The CHAIRMAN. This fellow now, Frank Cammarata, isn't he in some difficulty at the present time?

Mr. ALLEN. He is in difficulty, Senator, since early in 1922, but law enforcement doesn't seem to be able to keep him in jail, due, I might say—

The CHAIRMAN. I thought he was on his way to Michigan, or something of that sort.

Mr. ALLEN. Well, he was. On date of December 15, 1950, he was picked up on a Michigan parole violation warrant, and that dates back to the parole that he received from a bank robbery charge back in 1931.

He was convicted at that time—or convicted, rather in 1931, and sentenced to 30 years' sentence for bank robbery.

Now, the Immigration Bureau, as it has ever been, has been very zealous and very diligent and very persevering in its attempt to deport him, and so they went to the Governor of Michigan at that time and stated that if he would commute the sentence of Mr. Cammarata they would deport him. I believe it was Governor Fitzgerald at that time did commute his sentence and placed him on parole, one of the provisions of which was that he should be deported, for deportation only. He was deported at that time in 1937.

In 1939, he smuggled himself back into the country, a fact which he today freely admits. He hid out in the State of Ohio from 1939 until 1946, and all during those years he failed to register as an alien, failed to file his income-tax forms, and for a time lived under a fictitious name in Pittsburgh, Pa.

He was discovered again in 1946 by the Immigration Bureau who immediately attempted to deport him again, at which time he appealed to the Governor of Michigan for a pardon on this old bank

robbery charge. That was held up in the Governor's office and the board of pardons and paroles for some time, and it was denied by the paroles and pardons board, and it was also denied by the Governor.

Then they sought a new trial, and, as I understand it, that was denied. Again they appealed to the Governor of Michigan for another pardon, and one of the letters in connection with that petition was sent to the parole officer in Detroit, Mich. It says:

I have told you previously the parole board has no intention of ever recommending a pardon for this man. As a matter of fact, the parole board rejected such an application on October 7, 1947. This case is strictly dynamite for any judicial or executive clemency.

That was written in 1947.

Mr. NELLIS. Chief, I don't want to interrupt your statement, but I think that if you would proceed to the other items of your chart, that we would get along a little faster, if you let the chairman ask you about them.

Mr. ALLEN. All right, sir.

I want to show that—

The CHAIRMAN. Let me ask you a general statement: Does everybody in this chart here have a criminal record?

Mr. ALLEN. Yes—no, in the Cleveland area, I believe Al Sutton could say in answer to that.

Mr. NELLIS. The answer is "Yes."

The CHAIRMAN. I mean that is your diagnosis as an investigator of how the thing sort of winds up in this part of the country?

Mr. ALLEN. That's right. Some of those men are associated, some are outright members of the gang. It is a distinction without a difference, I suppose. They associate—for example, DiCarlo operated in Buffalo, N. Y. He has connections in New York City and Brooklyn, Miami Beach, and when he got into the Cleveland area, he had to see the boys here.

Mr. NELLIS. What do you mean by that?

Mr. ALLEN. You just don't come in and break into the rackets without the approval or at least the acquiescence of those who control it in that particular district.

Mr. NELLIS. Whose approval did he seek when he came to Ohio?

Mr. ALLEN. The Licavolis and the Angersolas and the—and so forth.

Mr. NELLIS. What happened? Was the heat too much for him in Buffalo? Is that it?

Mr. ALLEN. That is correct. They don't want him in Buffalo.

Mr. NELLIS. Now then, he came here and settled in Cleveland, is that right?

Mr. ALLEN. He didn't stay here long.

Mr. NELLIS. What happened?

Mr. ALLEN. He was advised to go to Youngstown.

Mr. NELLIS. Who do you think advised him, or perhaps you know who advised him?

Mr. ALLEN. I don't know from personal knowledge, except that Aeillo or Licavoli—it was probably one of them, at least his associates, he or his associates, and that is how he happened to come into Youngstown, and he had the way already paved for him, and all he had to do was put up his share of the bank roll and he was in, much to the discontent of the local bookies who had no other choice.

Now, Giordano, who was arrested with D'Allassandro, when they transported the stolen furs to Detroit, was subsequently convicted by the FBI for transporting stolen goods in excess of \$5,000.

D'Allassandro, who was with them, however, was not convicted, because they couldn't intimately tie him up with the grip which Giordano had containing the stolen furs. He was convicted, immediately appealed his case, came back to Youngstown, and attempted to operate with DiCarlo on the slot machines in Mahoning County, which surrounds the city of Youngstown.

However, through the vigilance of the Youngstown Vindicator, who exposed even the hide-out of the slot machines, that venture was soon thwarted.

Giordano and DiCarlo are still in the city of Youngstown, so to speak.

Now, at the time that the administration began in 1948, Joe DiCarlo, Nicholas Tamburello, who also was an alien in this country illegally, and Charles Pavalaro, were in Florida, staying at the Wofford Hotel. After an arrest of Giordano and D'Allassandro, and the subsequent arrest of Licavoli and Cammerata, Joe DiCarlo and his friends that were with him in Florida visited the man who was robbed in Youngstown, who was also in Florida, and attempted to persuade him not to testify against Giordano.

I cite that to show that on one case how the connections of Youngstown, Detroit, right down into Florida, all worked together to attempt to free or at least minimize the prosecution of one of their associates or members.

Now, I would like to say, too, that Aeillo and this D'Allassandro are now operating in the cigarette-machine business in and around Youngstown, Mahoning County, and Trumbull County. That of course is a legal enterprise, and that money, too—Aeillo was broke after the rackets closed there, and he had to get a fresh supply, and through D'Allassandro they are now operating the cigarette-machine business.

John Licavoli, who also appears on that picture as being one of the ones arrested in Detroit, became a bartender at the Jungle Inn, and was a bartender at the Jungle Inn when it closed, or when it was closed upon the order of Governor Lausche, as Tony Rutkowski has told you, after their raid.

After that closed Licavoli was and still is a collector on the slot machines that operate in Trumbull County, under the direction and the at least partial ownership of Mike and John Farah, whose names were mentioned here.

Mr. NELLIS. Do you know whether they own a legitimate business in Warren, Ohio?

Mr. ALLEN. I think they own an appliance store.

Mr. NELLIS. Is it one of the big ones there?

Mr. ALLEN. Yes; it is.

Mr. NELLIS. Do you know of any other legitimate businesses they own?

Mr. ALLEN. I have heard that they have a rug store, too. I am not certain of that. But this gang and their associates that I have outlined to you, not only did virtually seize control in the city of Youngs-

town, but they are also infiltrating into Mike Farah's dynasty in Trumbull County, and there is not much love lost between the Licalolis, represented there by Frank Cammerata, and Mike and John Farah.

You see, Mike and John Farah are Syrians, and most of these others stem from Sicily, and are without question members or associates of the Mafia, better known as the Black Hand Society.

You heard Governor Lausche state yesterday about these men operating a government within a government. Well, that is the name of the government, is the Mafia, and if you study the history of its beginnings in Sicily, way back before the beginning of the century, it was described as an association of persons having for their purpose the illicit control of all legal and illegal enterprises, such control being gained by forcibly excluding others from taking part in it, and they have done that very successfully in this country. That is the basis of it.

The CHAIRMAN. Has anybody ever told you they were a member of the Mafia?

Mr. ALLEN. Nobody admits being a member of the Mafia. The Mafia is known by their actions and their methods, rather than by names.

They have no elections. There are no members elected or appointed as such. They know each other by their activities, but there is no question about its existence, because the system couldn't possibly work without a system. There are certain district leaders in various parts of the country, but they gain their leadership through the sheer force of their own character, much as an attorney becomes known nationally because of his ability, only theirs also runs to ruthlessness, and the whole fabric of which is based upon murder.

That is why all of these gangland murders never will be solved. You might as well cross them off the book, as law enforcement well knows, because, in the total absence of witnesses, you can't prove a case.

Mr. NELLIS. Well, is it your understanding, Chief Allen, that a member of this secret criminal society who admits that he is, is marked for death?

Mr. ALLEN. Oh, certainly; they couldn't admit that.

Mr. NELLIS. What is the reason for that?

Mr. ALLEN. Well, simply because it is a self-government; and, in a constitutional government such as ours, many of the historians of it say that it is almost an impossibility to eradicate.

Only a tyrant could eradicate it. Mussolini made great strides in that direction, but no constitutional government can succeed very well.

This parole status of Mr. Cammerata, that the Senator questioned his recent arrest, he was arrested by the issuance of a parole violation warrant on December 15 of 1950, because his very presence in this country constitutes a violation of that parole.

The terms of the parole stated that it was for deportation only, and that he was never to return to the United States. He did return, and he is still at liberty.

The Municipal Court of Youngstown held him without bail, pending his extradition to the State of Michigan, and the common-pleas

court likewise held him without bail. The appellate court released him on bail on December 23.

He was to have a hearing in the Governor of Michigan's office on December 28th. That hearing, I understand, was continued until either yesterday or today, and I don't know the outcome of it.

I do say this: that the Governor—and this same Governor; I think it is Governor Williams—has twice before upheld the parole and pardon boards, and has denied any leniency or clemency in this man's regard.

The CHAIRMAN. You have got a long way to go here, Chief.

Mr. HALLEY. I was wondering if we could possibly save some time by summarizing this chart you have drawn, and put your full statement in the record.

When did you draw this chart, and for what purpose, Chief Allen?

Mr. ALLEN. For the purpose of this committee.

Mr. HALLEY. For the purpose of this testimony?

Mr. ALLEN. Yes.

Mr. HALLEY. Now, I notice you have Pete Licavoli of Detroit as the nominal leader.

Mr. ALLEN. Yes.

Mr. HALLEY. Of a gang which you say extends into Cleveland, Mahoning, Trumbull, western Pennsylvania, and Buffalo; is that right?

Mr. ALLEN. They have their connections, yes.

Mr. HALLEY. And you tie these men together by association.

Mr. ALLEN. I do.

Mr. HALLEY. And how do you handle the relationship to these people of the gamblers about whom we heard testimony earlier today, who run these wide-open gambling establishments, formerly here in Ohio, and also Kentucky? Do they fit into this chart of yours anywhere, or do you have a reason for excluding Kleinman and Dalitz and McGinty and Rothkopf and Sam Miller and Sam Tucker?

Mr. ALLEN. Their financial dealings. They borrow money from each other and do set up partnerships in that manner, but I don't call them gangland members.

Mr. HALLEY. Well, we know that they are engaged in criminal activities. We have heard testimony about it.

Now, going down this chart of yours, could you just very briefly give the committee an idea of whether these people you have listed here for the Cleveland, Ohio, area are or are not, to your knowledge, engaged in criminal activities at this time, or have been at some previous time, that would give you a reason to put them on this chart?

Mr. ALLEN. Yes; they are, with the exception of Emanuel Amato, whom I am not certain has any criminal record. He is the son-in-law of Frank Cammerata, and was his partner in the recent juke-box enterprise in and around Youngstown.

They were then attempting to get control of the juke-box business in the city of Youngstown and vicinity.

Mr. HALLEY. Well, what racket, for instance, going down your Cleveland area, is James Licavoli in today?

Mr. ALLEN. Gambler, slot machines.

Mr. HALLEY. Where does he operate, to your knowledge?

Mr. ALLEN. He has in Cleveland, according to the knowledge that I gained from the police here, but his connection into Youngstown is financial backing of Joseph "Fats" Aeillo.

Mr. HALLEY. You mean James Licavoli backs Aeillo?

Mr. ALLEN. That is correct.

Mr. HALLEY. How do you know that?

Mr. ALLEN. I know it from confidential sources.

Mr. HALLEY. In other words, your informants tell you that?

Mr. ALLEN. That's correct.

Mr. HALLEY. Where do you fit the Angersolas into your picture?

Mr. ALLEN. As being connected with the Licavolis through associations here in Cleveland in the past.

Mr. HALLEY. Do you know of any present racketeering activity on the part of the Angersolas?

Mr. ALLEN. They are down in Florida now. I don't know their activities down there.

Mr. HALLEY. And Polizzi?

Mr. ALLEN. Yes, as associate of the Licavolis and the Angersolas.

Mr. HALLEY. Do you know any present illegal activities of Polizzi?

Mr. ALLEN. No.

Mr. HALLEY. I am just wondering whether the chart clearly presents a group of the three we have so far, the Licavolis, Angersolas, and Polizzi, who don't show any immediate illegal activities as contrasted to Dalitz and the other group who have a present illegal gambling activity about which we have heard testimony.

Mr. ALLEN. Yes, sure; they are engaged but they won't admit it. James Licavolis record, for example, stems back to 1922, as does many of the others.

Mr. HALLEY. Of course, our job has been and we have been forthrightly trying to approach it, but if they won't admit it we have to prove it.

Mr. ALLEN. That's true.

Mr. HALLEY. We have had a lot of proof in about one group; I would like to get some proof about this group if we can before we come to any conclusion.

Mr. ALLEN. Yes.

Mr. HALLEY. Can you guide us toward any proof?

Mr. ALLEN. Yes. I am saying that Aeillo, Di Carlo, and D'Allasandro, Cavallaro have all operated and are operating in the Youngstown area at present.

Mr. HALLEY. That is your own knowledge. I am only interested at the moment in your central box on Cleveland.

Mr. NELLIS. Mr. Halley, perhaps I should explain.

Mr. HALLEY. Can you clarify it?

Mr. NELLIS. Yes. Chief Allen was trying to paint a picture in this district and in order to do that he felt it necessary to include the Cleveland, Ohio, area on which he has had previous experience with respect to links between these names he has discussed here and those in his two counties, in the counties with which he is familiar. Now, he is not pretending, I don't think, to testify as an expert on the Cleveland, Ohio, area.

Mr. ALLEN. That's true. This chart was drawn, as you know, Mr. Nellis, at your suggestion.

Mr. HALLEY. Frank Brancato, how does he fit in?

Mr. ALLEN. He worked at the Jungle Inn.

Mr. HALLEY. In what capacity did he work at Jungle Inn?

Mr. ALLEN. As a matter of fact, it was stated to me by one of the lesser workers there, who had a minor job, that he had a piece, what he called a piece of the Jungle Inn.

Mr. HALLEY. Didn't the Farah brothers own the Jungle Inn?

Mr. ALLEN. Not entirely.

Mr. HALLEY. Wouldn't they be entitled to be on the chart rather than a man who worked there?

Mr. ALLEN. They are on the chart.

Mr. HALLEY. Where are they?

Mr. ALLEN. "The above share the rackets with Mike and John Farah."

The CHAIRMAN. They are down at the bottom.

Mr. HALLEY. That is in Trumbull County; is that right?

Mr. ALLEN. Yes.

Mr. HALLEY. And Brancato is a Cleveland connection to the Farahs; is that the way you work it out?

Mr. ALLEN. Yes. It shows John Licavoli, D'Allassandro, but the Jungle Inn, of course, is not the only operation in Trumbull County. There is the slot machines and they are still going.

Mr. HALLEY. What, for instance, would Brancato's operations be besides reputedly having a piece in the Jungle Inn and having worked there?

Mr. ALLEN. Well, that would be his only connection.

Mr. HALLEY. Where would you fit Anthony Milano?

Mr. ALLEN. That's the Cleveland district.

Mr. HALLEY. What does he do in Cleveland; do you know?

Mr. ALLEN. Well, he has his connections with this crowd.

Mr. HALLEY. Did he operate slot machines, for instance, or any other illegal activity?

Mr. ALLEN. I don't know what he is doing now.

Mr. HALLEY. That you know of.

Mr. ALLEN. I don't know what he is doing now.

Mr. HALLEY. Did he at any time?

Mr. ALLEN. That is my understanding.

Mr. HALLEY. What would you say about Jerry Milano?

Mr. ALLEN. Jerry—now, one of them is in the fruit and produce business. I don't know which one is Jerry and which one is Tony, but the Cleveland group, as Mr. Nellis has pointed out, merely has their loose connections with the Mahoning County and what I know operating now in the Trumbull County districts.

Mr. HALLEY. Could we summarize it this way: That the top-box man is Pete Licavoli, then the second box is the Cleveland area, people you know by associations have connections with these people in Mahoning County, first, about whom you have direct knowledge; is that right?

Mr. ALLEN. That is correct.

Mr. HALLEY. Then we get into Trumbull County where you have some direct knowledge; is that right?

Mr. ALLEN. That is correct.

Mr. HALLEY. How about western Pennsylvania? Is that again reputed association or your direct knowledge?

Mr. ALLEN. In the case of the Erie men, in the Erie box, I have direct knowledge of their associations.

Mr. HALLEY. What has their business been? What have they been doing?

Mr. ALLEN. James Salamone, better known as Westfield Jimmy, has operated in Erie for many years.

Mr. HALLEY. What has he done?

Mr. ALLEN. With the slot machines and the numbers racket. So has Joseph Calafato. As a matter of fact, when I worked in Erie as a police officer, Joseph Calafato offered a bribe of \$1,000 to lay off the numbers racket, a client for which he was subsequently—for which he subsequently plead guilty.

Mr. HALLEY. How do they tie him to the Cleveland area?

Mr. ALLEN. Through association.

Mr. HALLEY. Are they backed up by the Cleveland people or do they just know them?

Mr. ALLEN. Well, they know them and fraternize with them and, if it is necessary, they loan each other money.

Mr. HALLEY. Do you know of any case of a loan from any of the Cleveland group to any of the western Pennsylvania group or vice versa?

Mr. ALLEN. No; I can't say that I do.

Mr. HALLEY. How about the Buffalo group? Is that again association or do you know of crimes committed by these people?

Mr. ALLEN. Joseph DiCarlo, I do, of course.

The CHAIRMAN. You have the criminal records on all of them here, do you not?

Mr. ALLEN. That's correct.

Mr. HALLEY. The rest are these associations that you think can be shown, is that right?

Mr. ALLEN. Yes, from personal observation. I have seen many of them together.

Mr. NELLIS. And from arrests?

Mr. ALLEN. And from arrests.

Mr. NELLIS. Isn't that right? Isn't that one of the known ways of associating criminals?

The CHAIRMAN. Can we do this? For any of these that we don't have records, you have the records on all of them here. Will you furnish us copies of them so we can put them in as exhibits to your testimony?

Mr. ALLEN. Yes; I will.

(The criminal records furnished by Chief Allen are identified as exhibit No. 63, and are on file with the committee.)

The CHAIRMAN. Chief—excuse me, Mr. Halley.

Mr. HALLEY. I was finished, Mr. Chairman.

The CHAIRMAN. Do you mean that you think these people are different types of operators from the people we have been talking about here?

Mr. ALLEN. Yes; I do.

The CHAIRMAN. How do you differentiate one type from the other?

Mr. ALLEN. Through their association with this philosophy of living.

The CHAIRMAN. I mean, for instance, we have a fellow—just take for instance, Mr. McGinty has testified here and this fellow named Kleinman. They have got connections in Kentucky and Florida,

Las Vegas, and so forth. Shouldn't they be in that chart some way or another?

Mr. ALLEN. No, sir. Those men I don't believe would resort to murder, organized murder, in order to protect their financial interests.

The CHAIRMAN. You think this is the worst group of fellows then?

Mr. ALLEN. Oh, unquestionably. These are organized criminals. Those men are professional gamblers.

Mr. HALLEY. Of course, that is a pretty serious charge and if this committee is going to stand behind it and naturally we do want to stand with you, Chief, I think we ought to have evidence showing that we can connect each of these people up with some case of resort to murder.

Mr. ALLEN. Well, a study of the criminal history of many of them will reveal that to you. For example—

Mr. HALLEY. Are there any on the chart that ought to be excluded, in fairness?

The CHAIRMAN. I think Amato, that while he is in some kind of business, he didn't have as long a record as the others.

Mr. ALLEN. That's correct. He is a younger man. He is a member by marriage of Frank Cammerata. If you will study the criminal history of Pete Licavoli, for example, and his cousin James, Frank Cammerata, many of the others, you will find that they begin around the same year, 1922, and their entire history runs the same pattern, and the amazing part of it is that while many of them have had 20 to 30 arrests, they wind up with very few convictions; but it is appeals, discharges, and the failure, as I say, for the police to keep their witnesses, many of whom they are able to get right after a crime is committed but by the time it comes to testimony, they are not available. There have been jury fixes, for example.

Mr. HALLEY. May we then properly say that in fairness to the people mentioned in the chart and because of the importance of your views on it, that the chart ought to be qualified by saying that it is your personal opinion based on your years of experience as a police official?

Mr. ALLEN. Oh, that's correct.

Mr. HALLEY. But strictly your personal opinion?

Mr. ALLEN. That's right.

The CHAIRMAN. And on the police records that you have?

Mr. ALLEN. Based on the police records and the criminal histories of some of them involved.

The CHAIRMAN. Well, subject to those qualifications, we will put the chart in evidence as representing your professional opinion about the crime situation in this part of the country.

I do want to ask this of you, Chief Allen, to go over the testimony and the police records with Mr. Nellis or Mr. McCormick, the ones that we do not have. We will ask you to supply them so that they can be listed as exhibits to your testimony to make sure that we have something about each one of these people that are here.

Chief, do you have any recommendations? You have made some to us that have been useful as to things that the Federal Government can do to help in this effort to prevent crime in interstate commerce.

Mr. ALLEN. Well, I think the law that has already been passed, largely by the existence of your committee, on the slot-machine ban in interstate commerce is a great help.

The very existence of the committee which spotlights crime and brings it to the attention of the public, which is one thing, of course, that organized crime can't stand, that is, the white light of publicity is one of the major functions or advantages of the law enforcement of your committee.

The CHAIRMAN. Public indifference is the chief trouble we have in the country, isn't it?

Mr. ALLEN. Yes, almost. I would say, too, that you will probably agree from your investigation so far that the sheriff system in this country doesn't seem to be the best law-enforcement system. I find that in States that have a State police department, Pennsylvania, for example, where professional policemen can be delegated the authority to investigate crime and place it in the hands of professionally trained men, there is a much better job done than when States have to depend upon an elective system whereby sheriffs are elected and by that very election owe somewhat divided allegiance. They have to keep an eye on reelection and also try to do a job of enforcing the law and it is very difficult for some sheriffs, as you have already found out, to do that.

I would touch on this again, too, and I think it is very important and it also has to do with the Federal Government. I think that it is wrong, it is wrong in principle for a Congressman or a Senator to obstruct law enforcement, whether it is on Federal, State, or local basis. You mentioned the fact regarding this private congressional bill that it was merely for—

The CHAIRMAN. I want to say that it has been quite the practice in Washington to file bills. There have been lots and lots of them filed, sometimes in good faith, I am sure most always in good faith, where they sometimes just don't know the facts; but I agree with you that it is a practice that has been abused and that it ought to be discontinued.

Mr. ALLEN. I will say in this case that it was not necessary to file a private bill because the Immigration Bureau and practically every other Federal agency had a very lengthy file from 1922 on this man Cammerata, and it would be an easy matter for a Congressman or Senator to make a phone call and ask to see the file without holding up for now over a period of 2 years the deportation of a dangerous criminal and one who by virtue of his association with these other men is very difficult to get out of Youngstown, Ohio, and the district, despite the most relentless and vigorous work of a police department, and we can't do it unless we get not only passive support but active support.

The CHAIRMAN. Do you have any other recommendations, Chief?

Mr. ALLEN. I will say, too, that in regard to that, that there are now in these United States, at least there is suspected to be many of the members of the infamous Juliano gang. Juliano is a recent bandit that was killed in Sicily and many of his men are supposed to be and there is quite definitely known by some governmental agencies members of his gang have smuggled themselves into the United States and they will sooner or later be found by law enforcement. They are guilty of not only single murders but wholesale murders which Sicily terms "massacres." And it would be just as easy for a Congressman to put a bill in for them when and if they are discovered and thereby again stymie law enforcement.

The CHAIRMAN. All right. Thank you very much, Chief. We appreciate your assistance.

Mr. ALLEN. Thank you.

The CHAIRMAN. I want to make an announcement about the witnesses. Tonight we want Mr. Malcolm Rhodes, George Gugel, and Al Polizzi to come in. Any other witnesses here from Kentucky, if they will come, we will try to finish up with them tonight also, at least make a determination whether they can go back or not.

We will recess now until 8 o'clock.

(Thereupon, at 5:45 p. m., a recess was taken until 8 p. m., this date.)

EVENING SESSION

The CHAIRMAN. The committee will come to order.

The committee wishes especially to express their appreciation to Marshal Joseph Wein and the members of the staff, and the deputy marshals for the overtime and extraordinary effort they have been putting forth to help us with our hearings, and to the building superintendent of the Federal Building, Mr. William Weatherbee, for arrangements he has made and the help he has been.

I might say that we are going to try to terminate our hearings tomorrow night, if it is possible to get through. There is a possibility we may stay over until Saturday morning. Not that we wouldn't enjoy staying, but we have so many other places to go.

We will meet at 9:30 in the morning. We will carry through all day. We will have a night session tomorrow night. If we are not through we will have a hearing the following day.

Now, at this time, if there is anyone who is in the hearing room—in a hearing of this kind, it is impossible to avoid use of some peoples' names who might not feel that they have been properly treated. If there is anyone who wants to make any appearance or explanation, I would be very glad if they would let us know, now.

Mr. Nellis has a statement which he wishes to introduce.

Mr. NELLIS. Mr. Chairman, this is in reference to Sheriff Ralph Milliken, of Trumbull County.

You read earlier into the record a statement of Dr. McKay, and we sent Dr. Razinsky, of Warren, Ohio, out to see Sheriff Milliken, and this is his report, given to Miss Marie Cranley, Thursday, January 18, 1951, at 6:10 p. m. over the telephone.

The CHAIRMAN. That will be made a part of the record.

It says he is in bad shape. Is that the gist of it?

Mr. NELLIS. Yes.

The CHAIRMAN. All right.

(The statement referred to is identified as exhibit No. 64, and reads as follows:)

REPORT OF DR. RAZINSKY, WARREN, OHIO

I saw this Mr. Milliken. I went through all the previous records that Dr. McKay had, and he definitely has heart disease, and has had it for at least 5 years, and the type of heart disease is called arteriosclerotic heart disease, coronary sclerosis, and angina pectoris, for the past 5 years.

The present attack he had started while asleep Tuesday evening, at approximately 10 p. m., with severe chest pain. He took nitroglycerin tablets, whisky, and some morphine, without relief. Finally they tried to get Dr. McKay, who is his family doctor, and couldn't get him, so they got another doctor by the name

of A. H. Seiple, Warren, Ohio. I called Dr. Seiple and Dr. Seiple told me he had a terrific case of what he thought was a heart attack. The man was in the shocklike condition. He was pale, sweaty, and his pulse was very feeble, and he gave him a half grain of morphine hypo, and the man, however, continued to have pain until he was admitted the following day to the Trumbull Memorial Hospital, service of Dr. McKay, his doctor. The pain has lasted approximately 12 hours.

When I saw him tonight he was still having some residual aching in the chest. Following examination and perusal of the electric cardiograph it is my impression that this man had a severe attack of coronary insufficiency, which usually requires a few days of bed rest. However, to be sure that this was not an attack of coronary thrombosis, a recheck of his electric cardiograph will be done tomorrow morning. If it shows no change, then this man can get up and out in a couple of days. If, however, he had an attack of coronary thrombosis, it means a serious outlook, which means a prolonged stay in the hospital.

I will look at this cardiograph, and if there is no change there is no reason why he could not get up in a day or two. He won't be able to be present in court tomorrow. If they hold a hearing on Saturday, he might be able to be there Saturday.

I will call you tomorrow morning, and tell you about what the cardiograph shows.

Dr. Razinsky's telephone number: 2-9216. Will be in his office until about 9:30 tonight of you want to call him.

The CHAIRMAN. I believe that Mr. Polizzi is our first witness tonight.

Mr. FULTON. Senator, I received a telephone call that the session would commence at 8 o'clock. I inquired whether Mr. Polizzi would be first, and I understood the response to be that he would not be, that there might be one or two ahead of him.

A gentleman back here told me just a moment ago that he saw him across the street, so I think he will be here presently.

The CHAIRMAN. All right, Mr. Fulton. See if you can get him here right away, will you?

Is Sheriff Timiney here? I understand Sheriff Timiney wasn't feeling well, and if he will come around we will hear him now.

The CHAIRMAN. Sheriff, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Sheriff TIMINEY. I do.

TESTIMONY OF GEORGE B. TIMINEY, SHERIFF, LUCAS COUNTY, OHIO

The CHAIRMAN. Let's proceed, Mr. Nellis.

Mr. NELLIS. Will you state your full name, please?

Mr. TIMINEY. George B. Timiney.

Mr. NELLIS. Are you sheriff of Lucas County?

Mr. TIMINEY. Yes, sir.

Mr. NELLIS. How long have you been sheriff?

Mr. TIMINEY. Two years, on the 30th of January.

Mr. NELLIS. Prior to that you were of the Cleveland police department?

Mr. TIMINEY. Yes.

The CHAIRMAN. Sheriff, apparently you are suffering from laryngitis, or something of that sort.

Mr. TIMINEY. Yes.

The CHAIRMAN. You just got it?

Mr. TIMINEY. No; I had a touch of it when I was up here Sunday, and we drove back to Toledo and ran into a lot of that fog. I was up here to see Mr. Nellis and Mr. McCormick.

The CHAIRMAN. All right.

Mr. NELLIS. Sheriff, have you heard of any gambling in Lucas County?

Mr. TIMINEY. When do you mean?

Mr. NELLIS. Sir?

Mr. TIMINEY. When do you mean?

Mr. NELLIS. Well, have you heard of the Pines Club?

Mr. TIMINEY. Yes.

Mr. NELLIS. And what goes on there?

Mr. TIMINEY. There is no gambling there. A fellow lives there.

Mr. NELLIS. Did you ever hear of the Webster Inn?

Mr. TIMINEY. Yes, sir.

Mr. NELLIS. What goes on there?

Mr. TIMINEY. Nothing. It is closed up. It is vacant.

Mr. NELLIS. It is vacant?

Mr. TIMINEY. Vacant.

Mr. NELLIS. Wasn't it running about a week ago?

Mr. TIMINEY. Not that I know of.

Mr. NELLIS. Do you know Joe Fretti?

Mr. TIMINEY. Yes, sir.

Mr. NELLIS. How well do you know him?

Mr. TIMINEY. I have known him ever since I was about 8 or 9 years old. Went to school with him.

Mr. NELLIS. Does he visit at your house?

Mr. TIMINEY. He has been at my house.

Mr. NELLIS. And you in his?

Mr. TIMINEY. No; I haven't been in his house—well, I have been in his house, but I haven't been there for several years.

Mr. NELLIS. I am sorry?

Mr. TIMINEY. I haven't been there in several years.

Mr. NELLIS. Did you ever hear of the Woodville Club at 2172 Woodville Road?

Mr. TIMINEY. Yes; that's some fellow by the name of Dugan runs that.

Mr. NELLIS. What kind of place is that?

Mr. TIMINEY. It has the reputation of a gambling joint and bootlegging place.

Mr. NELLIS. Have you ever heard of one called the Chesterfield Club?

Mr. TIMINEY. Yes.

Mr. NELLIS. What kind of a place is that?

Mr. TIMINEY. It was a bootlegging place.

Mr. NELLIS. How about the T & T Club at 4444 Detroit Avenue?

Mr. TIMINEY. Oh, that was a wire place where they received the wire.

Mr. NELLIS. Now, these places I have asked you about are listed as disseminating racing news; isn't that a fact?

Mr. TIMINEY. As far as I know; yes.

Mr. NELLIS. It is a public matter. They have been listed that way. Isn't that right?

Mr. TIMINEY. Yes.

Mr. NELLIS. Now, do you know anything about the Webster Inn? Have you ever been in the place?

Mr. TIMINEY. Never.

Mr. NELLIS. Did you ever raid it?

Mr. TIMINEY. No; I never have.

The CHAIRMAN. Where is it?

Mr. NELLIS. That is in Toledo, Ohio, is it not?

The CHAIRMAN. In what county?

Mr. NELLIS. Is it outside of Toledo?

Mr. TIMINEY. It is out in the county; yes.

Mr. NELLIS. Is it within your jurisdiction?

Mr. TIMINEY. Yes.

Mr. NELLIS. As sheriff?

Mr. TIMINEY. Yes.

Mr. NELLIS. What kind of files do you keep in your office with respect to raids that you make on gambling joints, if any?

Mr. TIMINEY. Well, if we make any raids, we keep files so we can go to court with them.

Mr. NELLIS. Do you know of any raids you made, do you make any raids?

Mr. TIMINEY. Yes, we have.

Mr. NELLIS. On what places?

Mr. TIMINEY. Well, we have been in the Victory Club.

Mr. NELLIS. What did you find there?

The CHAIRMAN. In the where? Victory?

Mr. TIMINEY. Victory Club.

The CHAIRMAN. Victory?

Mr. TIMINEY. Victory Club; yes.

Mr. NELLIS. What did you find there as sheriff?

Mr. TIMINEY. Well, I wasn't out there; some of my men was.

Mr. NELLIS. Is that a pretty big place?

Mr. TIMINEY. Oh, not a very big place.

Mr. NELLIS. You didn't think it was important, did you, to go out there?

Mr. TIMINEY. It is always a gambling place.

Mr. NELLIS. It is always a gambling place?

Mr. TIMINEY. Well, a gambling place is a gambling place. We try to keep them closed but they keep sneaking all the time.

Mr. NELLIS. Do you know a place which is called the Western Inn?

Mr. TIMINEY. The Western Inn?

Mr. NELLIS. I'm sorry. Webster Inn.

Mr. TIMINEY. Yes.

Mr. NELLIS. You said you did. Who operates that?

Mr. TIMINEY. I couldn't tell you who operates that now.

Mr. NELLIS. Well, who are the fellows who used to operate it?

Mr. TIMINEY. The Aranoffs.

Mr. NELLIS. Where were they from?

Mr. TIMINEY. Originally from Detroit.

Mr. NELLIS. Aranoffs?

The CHAIRMAN. Let's get that name.

Mr. NELLIS. Joe Aranoff and Ben Aranoff. Is that right?

Mr. TIMINEY. That's right.

The CHAIRMAN. How do you spell it?

Mr. NELLIS. A-r-a-n-o-f-f. When did you first meet them, Sheriff?

Mr. TIMINEY. Oh, I met them probably 25 years ago.

Mr. NELLIS. Do they have a criminal record?

Mr. TIMINEY. Only as he served time out to the workhouse.

Mr. NELLIS. For what?

Mr. TIMINEY. For gambling.

Mr. NELLIS. Was the Devon Club a gambling place?

Mr. TIMINEY. Yes.

Mr. NELLIS. Are there any other places that I have not mentioned that you know of that operated as gambling casinos in your county? How about the Benor Club?

Mr. TIMINEY. Well, the Benor Club used to operate but I don't think—I don't know how long they have been closed. They have been closed for a long time.

Mr. NELLIS. How long?

Mr. TIMINEY. I would say for——

Mr. NELLIS. How long?

Mr. TIMINEY. I couldn't tell you that.

Mr. NELLIS. Which club?

Mr. TIMINEY. I never was in the place in my life.

Mr. NELLIS. Which clubs did your friends Joe and Ben Fretty run?

Mr. TIMINEY. Well, they were connected with the Aranoffs.

Mr. NELLIS. In what place?

Mr. TIMINEY. In the Webster Inn.

Mr. NELLIS. And you knew that all the time?

Mr. TIMINEY. Well, I knew that they had doings with him.

Mr. NELLIS. Have there been any attempts to bribe you in order to keep the places running?

Mr. TIMINEY. No, sir.

Mr. NELLIS. Didn't I ask you during the course of our interview the following question and didn't you answer as follows:

Question. Have you during your tenure in office been offered any bribes of any kind, of any nature?

Mr. TIMINEY. I didn't—I wasn't in office 10 years.

Mr. NELLIS. I am not asking you that. I am asking you since you have been in office.

The CHAIRMAN. What was his answer?

Mr. NELLIS. The answer is:

I have been offered bribes for years, both in the police department and in the sheriff's office, but to me it don't mean a thing.

Mr. TIMINEY. Well, that could be but I have never received anything. I never accepted any.

Mr. NELLIS. Well, could you name some of the people that have attempted to bribe you?

Mr. TIMINEY. Well, we have had—I was on the homicide squad on the police department and I was up in the detectives' office for 32 years.

Mr. NELLIS. Well, offhand, can you give me the names of any people who might have tried to bribe you and the reasons for those attempts?

Mr. TIMINEY. No, I can't.

Mr. NELLIS. You didn't bring much in the way of records, did you Sheriff? Do you have any records that you would like to present to the committee?

Mr. TIMINEY. I was told to bring a copy of the campaign——

Mr. McCORMICK. The campaign contributions.

Mr. TIMINEY. Here is the last 1949 income-tax papers that I found.

Mr. McCORMICK. Could we see the campaign contributions?

Mr. NELLIS. Now, Sheriff, who is James McGrath?

Mr. TIMINEY. James McGrath is a retired tavern keeper.

Mr. NELLIS. Sir?

Mr. TIMINEY. A retired tavern keeper.

Mr. NELLIS. He gave you a thousand dollars toward your campaign?

Mr. TIMINEY. That's right.

Mr. NELLIS. James B. Murphy.

Mr. TIMINEY. That's right.

Mr. NELLIS. Who is he?

Mr. TIMINEY. He is a steamfitter.

Mr. NELLIS. Edwin J. Lynch.

Mr. TIMINEY. He is an attorney.

Mr. NELLIS. Ben L. Levine.

Mr. TIMINEY. He is an attorney, also.

Mr. NELLIS. Does he represent any of these gambling proprietors?

Mr. TIMINEY. No. I think Ed Lynch is, out here.

Mr. NELLIS. Ed Lynch represents some of them?

Mr. TIMINEY. I think he is out here to represent. I was just talking to him.

Mr. NELLIS. It is your opinion, at least, that he represents some of these gambling club proprietors? Is that right?

Mr. TIMINEY. I think so. I just talked to him out there before I was called in.

Mr. NELLIS. How much did you get from him? Do you remember?

Mr. TIMINEY. Five hundred, I think.

Mr. NELLIS. Now, Sheriff, are you a gambling man?

Mr. TIMINEY. I play the horses once in a while.

Mr. NELLIS. You do what?

Mr. TIMINEY. I play the horses once in a while. I don't go around any gambling places.

Mr. NELLIS. Do you recall a gambling income in 1949 that you received?

Mr. TIMINEY. Yes.

Mr. NELLIS. You don't?

Mr. TIMINEY. I do.

The CHAIRMAN. What was it about, Sheriff?

Mr. TIMINEY. It is on that income tax.

Mr. NELLIS. How much was it?

Mr. TIMINEY. \$6,000, I think it is.

Mr. NELLIS. You are not sure?

Mr. TIMINEY. It is marked on the income tax.

Mr. NELLIS. Did you tell me four or five thousand dollars at the time that I talked to you?

The CHAIRMAN. Anyway, \$6,000. What was it for? Where did you get it?

Mr. TIMINEY. Betting on the horses. Detroit is only 115 miles and they got three race tracks over there. We got one in Lucas County.

Mr. NELLIS. Sheriff, did you get very lucky in 1949?

Mr. TIMINEY. Yes.

Mr. NELLIS. Did you do any betting before that?

Mr. TIMINEY. I have, yes, from time to time. I have been detailed around those races for years.

Mr. NELLIS. Prior to 1949, your best year was \$3,747, and you were elected sheriff January 3, 1949: is that right?

Mr. TIMINEY. I was—I went in office.

Mr. NELLIS. January 3?

Mr. TIMINEY. Yes.

Mr. NELLIS. 1949.

And you had this nice round \$6,000 income in that year; is that right?

Mr. TIMINEY. Yes.

Mr. NELLIS. What happened? Were the horses good to you after you took office?

Mr. TIMINEY. Well, it was just one of those things that I could play a little better.

Mr. NELLIS. I'm sorry.

Mr. TIMINEY. I get rent down in the jail, living quarters there for free.

Mr. NELLIS. What has that got to do with your income of \$6,000 from wagers the first year you were sheriff?

Mr. TIMINEY. I had a little more money to wager on them.

Mr. NELLIS. Did you get that money from the gamblers for letting them run in your county?

Mr. TIMINEY. Never.

Mr. NELLIS. Isn't it a fact that after all this close association with the Fretty brothers for years and the Aranoffs for years that they were glad to see you become sheriff because then they knew that they could run wide open as they have been for some time?

Mr. TIMINEY. Well, naturally, they are always for the sheriff that goes in office.

Mr. NELLIS. They are naturally—

Mr. TIMINEY. They want to get along with the sheriff that goes in office.

Mr. NELLIS. They want to get along with the sheriff who lets them stay open; isn't that right?

Mr. TIMINEY. Well, they are going to try to get along.

Mr. NELLIS. I have no further questions, Mr. Chairman.

The CHAIRMAN. Mr. Halley.

Mr. HALLEY. No questions.

The CHAIRMAN. Sheriff, as I understand it—I am not testifying—but I was down in Toledo a couple of times in the last 7 or 8 months. I was pointed out these various clubs outside of the city of Toledo. You had about five clubs running: Pines, and Chesterfield Club, and the Webster Inn, and the Victory Club, and Westwood Club. I believe the Benor Club is now closed.

Mr. TIMINEY. It has been closed for a long time, and the Pines have been closed.

The CHAIRMAN. The Pines hasn't been closed very long.

Mr. TIMINEY. Yes; been closed for quite some time.

The CHAIRMAN. How long? It hasn't been running about 5 months.

Mr. TIMINEY. Longer than that, I think.

The CHAIRMAN. Anyway, the thing is that these places are apparently wide open and pretty big operations, from everything we have been informed.

Why didn't you close them up? That is what we want to know.

Mr. TIMINEY. We would go out there quite often and run everybody out of the place.

The CHAIRMAN. Do what?

Mr. TIMINEY. Chase everybody out of there.

The CHAIRMAN. Who did you arrest? Who runs the place?

Mr. TIMINEY. You have to get evidence to arrest them. I mean we haven't got any means for any undercover men.

The CHAIRMAN. Would you take the slot machines?

Mr. TIMINEY. We have taken those slot machines down.

The CHAIRMAN. What is the place where you go under the railroad and you come up to a gambling place on the right? What is the name of that club? Is that the Webster Club? When you come outside of the city limits.

Mr. TIMINEY. There are two places.

The CHAIRMAN. When you come out of the city limits and go under the railroad and right on the right there is a great big club with a big parking place, right out of the city limits.

Mr. TIMINEY. Well, you see, there is one over in East Toledo.

The CHAIRMAN. What is the name of that place?

Mr. McCORMICK. That is the Webster place.

The CHAIRMAN. It is a great big place with a big brick wall around it where you can drive in and park your car. That is the Webster Club, isn't it?

Mr. TIMINEY. Well, there is a Webster Club, and then there is Ralph Dugan's place out on Woodville Road.

The CHAIRMAN. Then you go out a little further and you turn to the left and you come to the Pines Club.

Mr. TIMINEY. That is out on Sylvania and Alexis Roads. That is a different direction.

The CHAIRMAN. At the Webster Club you have a place where the busses stop right in front and the customers from Detroit come down and get off in front of the Webster Club, right in front of the place, and walk in.

Mr. TIMINEY. They have done that.

The CHAIRMAN. That has been going on.

Then right across the street is a little restaurant where four slot machines are right in plain view, isn't there?

Mr. TIMINEY. Not that I know of.

The CHAIRMAN. You just go in and look in there, Sheriff, you would see them.

Mr. TIMINEY. Well, I make it a practice——

The CHAIRMAN. I mean, this is a plain restaurant, with little boys out there putting money in slot machines, right in plain view. You go down there right today, you will find that they pull a steel cover down over the slot machines.

Mr. TIMINEY. Oh, they have done that; yes.

The CHAIRMAN. Why don't you get them out of there?

Mr. TIMINEY. We have been taking them out of there.

The CHAIRMAN. What?

Mr. TIMINEY. We have been taking them out of there.

The CHAIRMAN. Who operates that restaurant?

Mr. TIMINEY. Well, there is a place called the Canary Cottage——

The CHAIRMAN. This is just a plain restaurant, and we went in several times.

Mr. TIMINEY. Well, that is just a plain restaurant, the Canary Cottage.

The CHAIRMAN. Well, what I want to know is, Sheriff, how come these people operate like that in your bailiwick? I understand they operated under the preceding sheriff—what was his name?

Mr. TIMINEY. Hennessey.

The CHAIRMAN. And he is supposed to be sick?

Mr. TIMINEY. No; he is here.

The CHAIRMAN. He is here. He is going to come in.

They operated under him and you ran on a reform platform, but you didn't reform; they just continued on like they were. Didn't you run on a reform platform of some kind?

Mr. TIMINEY. No, I didn't.

The CHAIRMAN. You didn't?

Mr. TIMINEY. No.

Mr. NELLIS. What was your platform?

Mr. TIMINEY. My platform was to get rid of gangsters.

The CHAIRMAN. Well, your platform was to get rid of gangsters, but these places kept on running after you got elected.

Mr. TIMINEY. Well, there are none of those gangsters now.

The CHAIRMAN. They closed down last Sunday night.

Mr. TIMINEY. They have been closed longer than that.

The CHAIRMAN. Sir?

Mr. TIMINEY. They have been closed for longer than that.

The CHAIRMAN. I think if you ask around you will find they closed last Sunday night. We have been giving them warning for some time they ought to close down, but they closed last Sunday night.

Mr. TIMINEY. I was here last Sunday night. Sunday afternoon; yes.

The CHAIRMAN. Why didn't you close them? Why don't you go out and close them? Anybody can walk in those places and see the gambling.

Mr. TIMINEY. We have been closing them.

The CHAIRMAN. Sheriff, what sort of arrangement have you had with them to keep open?

Mr. TIMINEY. I have never made any arrangements with them to keep open. I can't give them permission to operate.

The CHAIRMAN. I know, but what do they do to you so you keep them open?

Mr. TIMINEY. They don't do nothing to me; they just try to sneak—

The CHAIRMAN. They all moved out of the city into the county, right on the edge of the city.

Mr. TIMINEY. I don't think they have moved out of the city.

The CHAIRMAN. Well, the big places, the Pines, and the Chesterfield, and the Webster.

Mr. TIMINEY. The Pines was never in the city.

The CHAIRMAN. What?

Mr. TIMINEY. It was never in the city.

The CHAIRMAN. I say they all moved out of the city, but at least they are all out in the county.

Mr. TIMINEY. They never was in the city.

The CHAIRMAN. But the puzzling thing is they can't operate in the city, but they operate out in the county, where you are the sheriff. We don't understand.

Now, who are these clubs registered in the name of. What is the name on the liquor license?

Mr. TIMINEY. Well, they don't have a liquor license.

The CHAIRMAN. Well, they must have a license to do business.

Mr. TIMINEY. Not to operate those clubs.

The CHAIRMAN. Well, they must have a license to serve food. They have to get that somewhere.

Mr. TIMINEY. Well, that is separate.

The CHAIRMAN. Who are they registered with? With the clerk of the court, or who are they registered with to get their permit to operate? Whose name are they in?

Mr. TIMINEY. They come under the auditor.

The CHAIRMAN. What?

Mr. TIMINEY. They come under the county auditor's office.

The CHAIRMAN. All right. Whose name are they in?

Mr. TIMINEY. I don't know.

The CHAIRMAN. You haven't investigated to find out who operates these clubs?

Mr. TIMINEY. No.

The CHAIRMAN. You don't know.

Mr. TIMINEY. I don't have anybody that has got a club license out there.

The CHAIRMAN. Well, they operate. Don't you see, whether they have got a license or not, they are operating. As a matter of fact, they have a license in the name of somebody in Detroit for quite a while, or did have; isn't that right?

Mr. TIMINEY. Not that I know of. Outside of the Aranoffs; they did live in Detroit, but they have been around Toledo for 25 years.

The CHAIRMAN. The Aranoffs? Where do they live now?

Mr. TIMINEY. In Toledo.

The CHAIRMAN. And they came from Detroit; didn't they?

Mr. TIMINEY. That is right.

The CHAIRMAN. Where did the Fretty boys come from?

Mr. TIMINEY. I think they were born and raised in Toledo.

The CHAIRMAN. Sheriff, how much property have you got?

Mr. TIMINEY. Just one piece of property.

The CHAIRMAN. What is that, your home?

Mr. TIMINEY. That is where I lived before I went in the sheriff's office.

The CHAIRMAN. Where do you live now?

Mr. TIMINEY. In the sheriff's office.

The CHAIRMAN. What kind of automobile have you got?

Mr. TIMINEY. A 1947 Buick.

The CHAIRMAN. What sort of investments have you made in the last three years?

Mr. TIMINEY. I haven't made any investments.

Mr. NELLIS. Do you own a Cadillac, too, sheriff?

Mr. TIMINEY. No.

The CHAIRMAN. You haven't made any investments at all?

Mr. TIMINEY. No.

The CHAIRMAN. Sheriff, what explanation can you give for letting these places operate?

Mr. TIMINEY. I don't know they operate. If I catch them operating, I send my men out there to clean them out.

The CHAIRMAN. What?

Mr. TIMINEY. I send my men out there to clean them out. I don't give them permission to operate.

The CHAIRMAN. Well, they have been operating pretty consistently until last Sunday night.

Mr. TIMINEY. Well, that is news to me.

The CHAIRMAN. All right. Mr. Halley, do you have any questions?

Mr. HALLEY. I was wondering when did you win this \$6,000, sheriff? That you say you won in 1949, betting? Where did you win it?

Mr. TIMINEY. Oh, I won that over at the race track over in Detroit, and I won it out here—I mean out here, in Fort Miami track in Toledo.

Mr. HALLEY. Well, what track specifically? What track did you win it at?

Mr. TIMINEY. Hazel Park.

Mr. HALLEY. And that is in Toledo?

Mr. TIMINEY. No; that is in Detroit.

Mr. HALLEY. Do you have business that takes you to Detroit?

Mr. TIMINEY. Sir?

Mr. HALLEY. Do you have business that takes you to Detroit, or did you go there just to see the races?

Mr. TIMINEY. It is only an hour and 15 minutes' drive.

Mr. HALLEY. You drive there?

Mr. TIMINEY. Yes.

Mr. HALLEY. To see the races?

Mr. TIMINEY. Yes.

Mr. HALLEY. On how many different occasions did you go there for the races?

Mr. TIMINEY. Oh, probably 25 times, 30 times.

Mr. HALLEY. 25 or 30 times?

Mr. TIMINEY. Yes.

Mr. HALLEY. Would that require you to take the whole day off?

Mr. TIMINEY. No; you can leave Toledo at 5 o'clock, 5:30, and be over there at the track at 8:30.

Mr. HALLEY. What are these? Night races?

Mr. TIMINEY. They have some night races and a day race.

Mr. HALLEY. Where else did you bet on the horses?

Mr. TIMINEY. At Fort Meigs in Lucas County.

Mr. HALLEY. Any place else?

Mr. TIMINEY. No.

Mr. HALLEY. Did this \$6,000 represent a few big wins or a lot of little ones?

Mr. TIMINEY. Oh, I picked up some dough probably betting on a golf game or with my friends or with a fight.

Mr. HALLEY. Whom did you win money from betting on a golf game?

Mr. TIMINEY. On different fellows out of those golf courses that I know.

Mr. HALLEY. For instance, whom would you say?

Mr. TIMINEY. Oh, Jim Kenny or Herb Pomerantz out to Sunnydale golf club.

Mr. HALLEY. Jim Tanny?

Mr. TIMINEY. Jim Kenny, yes.

Mr. HALLEY. K-e-n-n-y?

Mr. TIMINEY. That's right.

Mr. HALLEY. How much did you win from him in 1949 playing golf?

Mr. TIMINEY. Oh, I didn't play him; I am not good enough. He is a good golfer. He owns the golf——

Mr. HALLEY. What did you bet on?

Mr. TIMINEY. Well, somebody that he is playing against or somebody that is playing against him.

Mr. HALLEY. How much did you bet chasing Jimmy Kenny around the golf course?

Mr. TIMINEY. Oh, probably at different times \$150, \$200.

Mr. HALLEY. How much did you win?

Mr. TIMINEY. Well, I wouldn't know just exactly how much.

Mr. HALLEY. Well, I am trying to find out how you won the \$6,000. Let's go back to the horse races. Did you win on a lot of small wagers or did you have any big killings that you can remember?

Mr. TIMINEY. Oh, sometimes you would run into a pretty good wager, a good bet. I have seen those fellows losing over there and win a couple of thousand dollars.

Mr. HALLEY. We are talking about your \$6,000, not what some other fellows did. How did you win the \$6,000?

Mr. TIMINEY. Well, just betting because I know a lot of those fellows around those race tracks.

Mr. HALLEY. Was the betting on a lot of horses or on a few?

Mr. TIMINEY. Just a few.

Mr. HALLEY. Just a few?

Mr. TIMINEY. That's right.

Mr. HALLEY. Can you remember any big winnings you made? Any particular horse?

Mr. TIMINEY. Oh, I never——

Mr. HALLEY. Any particular race?

Mr. TIMINEY. I never won a big amount at any one race.

Mr. HALLEY. Did you ever win more than a thousand dollars on a race?

Mr. TIMINEY. No.

Mr. HALLEY. Did you ever win as much as \$500 on a race?

Mr. TIMINEY. I have won \$500.

Mr. HALLEY. You have?

Mr. TIMINEY. Yes.

Mr. HALLEY. When did you win \$500 on what race?

Mr. TIMINEY. Well, I wouldn't—I don't remember the race.

Mr. HALLEY. What was the horse's name?

Mr. TIMINEY. It was in the summer. I don't remember that.

Mr. HALLEY. When was it? Last summer?

Mr. TIMINEY. In the summer, yes.

Mr. HALLEY. The summer of 1950 or——

Mr. TIMINEY. 1949.

Mr. HALLEY. How did you keep track of your winnings? Did you have a little book you recorded them in?

Mr. TIMINEY. I did have a little book; yes.

Mr. HALLEY. Do you still have the little book?

Mr. TIMINEY. No. When I went into that sheriff's office in 1949, I had some of the income-tax papers there, and it was in a little office and these were all in a folder, and the desk was so dirty that one of the deputies just threw them in the wastepaper basket and kept the folder.

Mr. HALLEY. When was this?

Mr. TIMINEY. Oh, it was probably maybe late in the fall.

Mr. HALLEY. Late in the fall?

Mr. TIMINEY. Yes.

Mr. HALLEY. How were you able to estimate your winnings for 1949? Did you just guess at it?

Mr. TIMINEY. Just guessed at it; yes.

Mr. HALLEY. Did you win anything in 1950?

Mr. TIMINEY. Not so much.

Mr. HALLEY. How much did you win in 1950?

Mr. TIMINEY. Oh, I probably—I won about maybe around close to a thousand dollars.

Mr. HALLEY. Did you keep a record of it?

Mr. TIMINEY. Yes.

The CHAIRMAN. Did you say "Yes" or "No"?

Mr. TIMINEY. Yes.

Mr. HALLEY. Do you have it here?

Mr. TIMINEY. No; I haven't.

Mr. HALLEY. Didn't your subpoena call for your financial records?

Mr. TIMINEY. Yes, for 1949 dating up to 1950.

Mr. HALLEY. 1940 to date, Mr. Nellis tells me. Now, do you have your records of your winnings in 1950?

Mr. TIMINEY. I have it home. I got a book at home.

Mr. HALLEY. You have it at home?

Mr. TIMINEY. Yes.

Mr. HALLEY. Does it show the particular horses and the particular day?

Mr. TIMINEY. Yes; I believe it does.

Mr. HALLEY. It does?

Mr. TIMINEY. (Nodding head affirmatively.)

Mr. HALLEY. Can you make that available to the committee?

Mr. TIMINEY. Yes.

Mr. HALLEY. Will you get that to the committee some time tomorrow so we can see it and check it over?

Mr. TIMINEY. Well, if I get back to Toledo.

Mr. HALLEY. Why don't you mail it to us as soon as you get back to Toledo.

Mr. TIMINEY. I can do that.

Mr. HALLEY. Thank you.

The CHAIRMAN. One more question.

Mr. NELLIS. Do you know whether your deputies are pretty friendly with these gamblers you have mentioned, Fretty, Tony Paul?

Mr. TIMINEY. They may know some of them; naturally, being in our business, they are bound to contact them.

Mr. NELLIS. They know them pretty well, don't they, just about as well as you do?

Mr. TIMINEY. Oh, yes.

Mr. NELLIS. You know Tony Paul pretty well, don't you?

Mr. TIMINEY. Oh, I have known Tony Paul for, oh, 25 years.

Mr. NELLIS. He is a pretty good citizen, isn't he?

Mr. TIMINEY. Well, not always.

Mr. NELLIS. Please take your hand away; I can't hear you.

Mr. TIMINEY. Not always.

Mr. NELLIS. Well, what do you mean?

The CHAIRMAN. All right, I think we have had enough of this sheriff.

Mr. NELLIS. I want to put in the record, Senator——

The CHAIRMAN. What is it?

Mr. NELLIS. I merely want to put in the record, Senator, that this man has been arrested 24 times and that——

The CHAIRMAN. Tony Paul?

Mr. NELLIS. Yes, sir, Tony Paul, alias Tony Scott or Newfield Scott, the worst character in the city of Cleveland for 20 or more years.

Mr. HALLEY. What is he now?

The CHAIRMAN. What does he do now?

Mr. NELLIS. Sheriff, what does he do now?

Mr. TIMINEY. Well, he is connected with that clique, gambling.

The CHAIRMAN. Have you ever arrested him, Sheriff?

Mr. TIMINEY. I believe I did years ago.

The CHAIRMAN. I mean since you have been sheriff?

Mr. TIMINEY. No, no, no.

The CHAIRMAN. All right, let the record be put in of Tony Scott, in the record, and sheriff, you send us your record. Exhibit No. 65 and 66.

(The records identified were thereupon received in evidence as exhibits Nos. 65 and 66, and appear in the appendix on pp. 462 and 463.)

The CHAIRMAN. Sheriff Hennessy, is he here?

Sheriff, do you solemnly swear the testimony you will give to this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. HENNESSY. Yes.

TESTIMONY OF CHARLES L. HENNESSY

Mr. NELLIS. What is your name, sir?

Mr. HENNESSY. Charles L. Hennessy.

The CHAIRMAN. Sit down, sir.

Mr. NELLIS. Were you formerly sheriff of Lucas County?

Mr. HENNESSY. That's right.

Mr. NELLIS. For how many years?

Mr. HENNESSY. Eight.

Mr. NELLIS. And when did you leave office?

Mr. HENNESSY. January 1949.

Mr. NELLIS. Did you suppress gambling while you were in office, Sheriff?

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. Did you hear of the Devon Club?

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. What kind of a place was that?

Mr. HENNESSY. That was a gambling establishment.

Mr. NELLIS. Were you inside?

Mr. HENNESSY. Yes.

Mr. NELLIS. What did you find there?

Mr. HENNESSY. I found gambling paraphernalia, crap tables, other gambling paraphernalia such as slot machines.

Mr. NELLIS. Who ran that place?

Mr. HENNESSY. Well, there was several men running that place at the time. It was my understanding that Benjamin and Joseph Aranoff, Benjamin and Joseph Fretty, and a man by the name of Schaub.

Mr. NELLIS. Who?

Mr. HENNESSY. Schaub.

Mr. NELLIS. Schaub? How do you spell that?

Mr. HENNESSY. I believe it is S-c-h-a-u-b.

Mr. NELLIS. Did you ever hear of the Dixie Club, Toledo, Ohio?

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. What kind of a place was it?

Mr. HENNESSY. That was the same.

Mr. NELLIS. Who was in that?

Mr. HENNESSY. A man by the name of Edward Warneke and Joe Morrissey.

Mr. NELLIS. Who is that?

Mr. HENNESSY. Joseph Morrissey.

Mr. NELLIS. Morrissey?

Mr. HENNESSY. That's right.

Mr. NELLIS. Who is he?

Mr. HENNESSY. He was one of the proprietors or the owners of the place.

Mr. NELLIS. Did he live in Toledo?

Mr. HENNESSY. Yes.

Mr. NELLIS. Did you ever hear of the Club Elwood?

Mr. HENNESSY. No.

Mr. NELLIS. Did you ever hear of Peter Korado?

Mr. HENNESSY. Yes.

Mr. NELLIS. Or Koraldo?

Mr. HENNESSY. I have heard of the man; yes.

Mr. NELLIS. Who is he?

Mr. HENNESSY. I don't know.

Mr. NELLIS. What have you heard about him?

Mr. HENNESSY. I have just heard that he was one of the men in the so-called gambling fraternity.

Mr. NELLIS. What establishment?

Mr. HENNESSY. I don't know that.

Mr. NELLIS. Never heard of the Club Elwood?

Mr. HENNESSY. No, sir.

Mr. NELLIS. How about the North End Club?

Mr. HENNESSY. (Shaking head negatively.)

Mr. NELLIS. Toledo, Ohio?

Mr. HENNESSY. No, sir.

The CHAIRMAN. Not Toledo. They are all in the county. Are these places in Toledo or out in the county?

Mr. HENNESSY. The places you formerly mentioned that I know of are in the county or were in the county.

The CHAIRMAN. Yes.

Mr. NELLIS. Did you ever meet a man by the name of Joe Massey?

Mr. HENNESSY. No.

Mr. NELLIS. Did you ever hear of him?

Mr. HENNESSY. Yes.

Mr. NELLIS. What have you heard about him?

Mr. HENNESSY. The same, that he was with the gambling fraternity.

Mr. NELLIS. What else?

Mr. HENNESSY. That's all I know of.

The CHAIRMAN. He came from Detroit. Is that Joe Bishoff?

Mr. HALLEY. No, no.

The CHAIRMAN. That is Lefty Clark, that's right.

Mr. NELLIS. You heard that he came from Detroit, didn't you, and that he was a pretty big man in gambling and criminal circles, didn't you?

Mr. HENNESSY. I have heard that he was a Detroit man but as to his record, I was not familiar.

Mr. NELLIS. But as sheriff you knew that he was a pretty important criminal, didn't you?

Mr. HENNESSY. I can't say that I did.

Mr. NELLIS. Did you know that he ran, or, rather, had an interest in the Club Devon?

Mr. HENNESSY. No; I did not.

Mr. NELLIS. In 1943?

Mr. HENNESSY. No; I didn't.

Mr. NELLIS. Did you know that he and Louis Walker and Peter Korado had an interest in the Club Devon in Toledo during your term as sheriff?

Mr. HENNESSY. No.

Mr. NELLIS. You didn't know that?

Mr. HENNESSY. I didn't know that they had one.

Mr. NELLIS. Did you ever raid the place?

Mr. HENNESSY. Yes, sir; many times.

Mr. NELLIS. Who did you find on the premises?

Mr. HENNESSY. To qualify that, I personally did not make the raids; my chief deputy of the criminal branch of my office did that, raiding.

Mr. NELLIS. Was that your practice, Sheriff?

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. Never to accompany your deputies on an important raid?

Mr. HENNESSY. The first 3 months of my term in office I conducted all raids and after that I turned it over to my chief deputies.

Mr. NELLIS. Why is that, sir?

Mr. HENNESSY. That has always been my practice.

Mr. NELLIS. Why?

Mr. HENNESSY. Well, I have plenty of other work to take up my time without taking up that work.

Mr. NELLIS. Well, isn't it a fact that under Ohio law your chief duty is that of law-enforcement officer?

Mr. HENNESSY. That is right.

Mr. NELLIS. In the county. To see to it that the laws of the State are enforced?

Mr. HENNESSY. Right.

Mr. NELLIS. To see to it that the gamblers and the criminals and the gangsters are kept out of your county?

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. Isn't that your first duty?

Mr. HENNESSY. That's right.

Mr. NELLIS. Did you know that—oh, you testified that you knew about the Dixie Club; is that right?

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. Where was that?

Mr. HENNESSY. The Dixie was on Detroit Avenue in 4800.

Mr. NELLIS. Is that outside the city?

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. Did you know that Mr. Massey had an interest in that in 1945?

Mr. HENNESSY. I did not.

Mr. NELLIS. You are surprised?

Mr. HENNESSY. No; I am not surprised.

Mr. NELLIS. You heard it then?

Mr. HENNESSY. I did not hear it until now.

Mr. NELLIS. Well, then, why do you say you are not surprised?

Mr. HENNESSY. Well, I am not surprised that anyone may be in a gambling fraternity.

Mr. NELLIS. Even a big-time gambler like Massey settling in a place, a small place like Toledo, relatively small place?

Mr. HENNESSY. I didn't know that he was living in Toledo.

Mr. NELLIS. I didn't say he was living there. I said that he was in that club.

Mr. HENNESSY. I did not, no.

Mr. NELLIS. How about the Club Elwood?

Mr. HENNESSY. I don't know about the Club Elwood.

Mr. NELLIS. Did you know that he, that is, Joe Massey and Peter Korado were partners in the Club Elwood?

Mr. HENNESSY. I did not. May I ask a question, please?

Mr. NELLIS. Surely.

Mr. HENNESSY. Where was the Elwood Club located?

Mr. NELLIS. The only information we have is from Mr. Massey's own statements that it was located in Toledo, Ohio, possibly outside the city but surely in Lucas County, E-l-w-o-o-d. And the North End Club, you knew that, didn't you?

Mr. HENNESSY. No.

Mr. NELLIS. Never heard of it?

(No response.)

Mr. NELLIS. In 1947 Mr. Massey drew quite a substantial income from that place. Now, Sheriff, why didn't you enforce the law in your county at the time you were sheriff?

Mr. HENNESSY. I did.

Mr. NELLIS. In what way?

Mr. HENNESSY. I did more about gambling in Lucas County in the 8 years that I was there, to my knowledge, than anyone who ever held that office previous to my time.

Mr. NELLIS. Did you ever make a statement to the press that you are responsible for the gambling in Lucas County?

Mr. HENNESSY. That I was?

Mr. NELLIS. Yes.

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. Will you explain that, please?

Mr. HENNESSY. I assume full responsibility for the policing of the county outside the city limits.

Mr. NELLIS. So you were responsible for the gambling?

Mr. HENNESSY. That is right.

Mr. NELLIS. Is that right?

Mr. HENNESSY. Right.

Mr. NELLIS. I have no further questions at this time.

The CHAIRMAN. How about the Webster Inn right under that underpass and up on the right that was operating?

Mr. HENNESSY. That was located in the county as well.

The CHAIRMAN. That is the Fretti brothers.

Mr. HENNESSY. I closed those two places you mentioned the first year I took office.

The CHAIRMAN. Why didn't you keep them closed?

Mr. HENNESSY. I did keep them closed.

The CHAIRMAN. They were operating while you were sheriff.

The SHERIFF. Not after they were closed.

The CHAIRMAN. And when you were sheriff they operated, is that right?

Mr. HENNESSY. When I first took office, they did.

The CHAIRMAN. And the Pines Club was operated when you were in.

Mr. HENNESSY. The Times?

The CHAIRMAN. The Pines.

Mr. HENNESSY. That did not operate while I was there, to my knowledge. It was a new buildin, and I believe on Alexis Road.

The CHAIRMAN. You saw it there?

Mr. HENNESSY. I checked the building while it was being built, and a man by the name of Larsen who was drilling a well there gave me the information that the fence they were putting around the place led him to believe they were building another gambling house in the county.

The CHAIRMAN. Did you ever raid it?

Mr. HENNESSY. I never raided it because I never knew there was gambling in the place.

The CHAIRMAN. The Chesterfield Club, did you ever raid it?

Mr. HENNESSY. I did.

The CHAIRMAN. How many times?

Mr. HENNESSY. Several times, but I couldn't tell you the exact number.

The CHAIRMAN. Did you close it down permanently?

Mr. HENNESSY. We did.

The CHAIRMAN. The Victory Club, did you close that down?

Mr. HENNESSY. We did.

The CHAIRMAN. Permanently?

Mr. HENNESSY. Permanently. However, these clubs would stop and start.

The CHAIRMAN. You would close them down one day, and they would start up the next day?

Mr. HENNESSY. Not necessarily the following day, but they would come back, and when they came back and we received any information at all we immediately went out and placed our men and closed them.

The CHAIRMAN. This sheriff who was in here a few minutes ago ran against you on a law-enforcement program, didn't he? That is, he was going to enforce the laws where you hadn't?

Mr. HENNESSY. Yes, sir.

The CHAIRMAN. Clubs that ran wide open during your administration he was going to enforce a law on, is that right?

Mr. HENNESSY. They were not running during the time he was campaigning.

The CHAIRMAN. I mean that was the idea though?

Mr. HENNESSY. That's right.

The CHAIRMAN. So the people decided that you hadn't closed the places down, and they elected him, and they still run?

Mr. HENNESSY. Well, I can't say that they were running after I left, but I had a lot of trouble while I was there.

The CHAIRMAN. Did you make an investigation to find out what the Detroit interests in these clubs were?

Mr. HENNESSY. Yes, on numerous occasion.

The CHAIRMAN. Who owned the clubs?

Mr. HENNESSY. All of the clubs, or just the——

The CHAIRMAN. The various ones of them.

Mr. HENNESSY. Well, the Dixie Club was owned by Edward Warneke and Joe Morrissey.

The CHAIRMAN. Where do they live?

Mr. HENNESSY. They live in Toledo, or did live at that time.

The CHAIRMAN. And how about the Webster Inn? Who owned that?

Mr. HENNESSY. The Webster Inn, there were a number of men in that club, and I am not sure who they all were.

The CHAIRMAN. Well, didn't you investigate the license to see if somebody in Detroit owned some of it?

Mr. HENNESSY. We did that. Could I refer to some of my records? I have just a few notes here that I have made.

Mr. CHAIRMAN. Surely.

Mr. HENNESSY. Would you care to take a look at that?

Mr. NELLIS. What is it?

This is a document entitled "Report of Achievement, 1941 to 1948."

Mr. HENNESSY. The reason I mentioned that, I would like to call to your attention that all those who may be interested in what I am saying, that a sheriff patrolling the county the size of Lucas County has much responsibility, and I gave all the time and my men gave all the time that we could to the enforcement of this law.

I keep a yearly report of every form of activity under my command. When we make these raids, remember, you don't do it with a couple of men, and when you have but 21 uniformed men to carry on this work, it is necessary to call those who are off duty back to that duty, and most of that work is done on their own time.

The CHAIRMAN. Sheriff, don't you think if you just let these people know you are not going to tolerate their places running, they are going to close up?

Mr. HENNESSY. I did let them know.

The CHAIRMAN. But they went on?

Mr. HENNESSY. Not as much.

The CHAIRMAN. I know it, but they still continued to open up.

Mr. HENNESSY. That holds true, I grant you, but nevertheless I gave every bit of time possible, and there was at no time—and you could question any man or woman that ever worked under my com-

mand, they will tell you the same, that we gave more time to that than any other work. I was able——

The CHAIRMAN. Well, why didn't you just pull their gambling equipment out?

Mr. HENNESSY. We did.

The CHAIRMAN. Their wire service.

Mr. HENNESSY. I broke up more than 400 pieces of gambling paraphernalia when I was in that office. When I say "I" I mean my men.

The CHAIRMAN. Well, they wouldn't tolerate that every so often, if you continued to do it.

Mr. HENNESSY. We continued to do it.

The CHAIRMAN. And still they operated.

Mr. HENNESSY. I put men in their places to guard the doors of those places, but, I repeat, with the few men I had, I couldn't keep them there, and as soon as we left—I might mention that when I first started to close one of the establishments, they built partitions in the building, and would go from one room to the other when my men were there.

The CHAIRMAN. While your men were there they would go from one room to the other?

Mr. HENNESSY. That is true.

The CHAIRMAN. All right, sheriff. We would be glad to receive this in the record.

This is the number of arrests you have made, and things of that sort.

(Sheriff Hennessy's report of achievement is identified as exhibit No. 67, and appears in the appendix on p. 464.)

Mr. HENNESSY. I have a list here I could leave with you, if you care. I will tell you, my records, when I left office I moved from the city and I didn't have a home in the city at the time, and they were stored, and I was notified at 7:30 in the evening and was told to be here the next morning at 10, and I got what records I could together.

Mr. NELLIS. Sheriff, one last question. Mr. Chairman?

Mr. CHAIRMAN. Yes, sir.

Mr. NELLIS. What is your net worth at the present time?

Mr. HENNESSY. My net worth?

Mr. NELLIS. Roughly.

Mr. HENNESSY. Oh, I have a farm that I paid—I think, \$14,500 for, and I would say I have added \$5,000 or \$6,000 to it.

Mr. NELLIS. Paid up? You own it?

Mr. HENNESSY. Yes.

Mr. NELLIS. What else?

Mr. HENNESSY. I am building a home in the city of Toledo.

Mr. NELLIS. What is going to be the cost of it?

Mr. HENNESSY. About \$12,500.

Mr. NELLIS. Anything else?

Mr. HENNESSY. That is all.

Mr. NELLIS. Do you own an automobile?

Mr. HENNESSY. I do.

Mr. NELLIS. What kind?

Mr. HENNESSY. Dodge.

Mr. NELLIS. What year?

Mr. HENNESSY. 1950.

Mr. NELLIS. Does your wife own a car?

Mr. HENNESSY. That is her car.

Mr. NELLIS. It is her car?

Mr. HENNESSY. That is right.

Mr. NELLIS. What was the best salary—oh, I am sorry, Mr. Chairman.

The CHAIRMAN. You have a farm out somewhere from Toledo?

Mr. HENNESSY. Yes, sir.

The CHAIRMAN. How many acres about?

Mr. HENNESSY. 116.

The CHAIRMAN. 116?

Mr. HENNESSY. Yes, sir.

The CHAIRMAN. Is that where you live now?

Mr. HENNESSY. Yes, sir; Grand Rapids, Ohio.

The CHAIRMAN. All right.

Mr. NELLIS. What is the highest salary you received as sheriff?

Mr. HENNESSY. \$4,888.

Mr. NELLIS. Did you have any income from any other sources while you were sheriff?

Mr. HENNESSY. Yes.

Mr. NELLIS. What source?

Mr. HENNESSY. I had a dairy farm.

Mr. NELLIS. When did you acquire that?

Mr. HENNESSY. I started it in 1942.

Mr. NELLIS. You were sheriff then?

Mr. HENNESSY. Yes, sir.

Mr. NELLIS. Any other income from any other sources, did any of the men you have mentioned ever give you any money?

Mr. HENNESSY. No, sir.

Mr. NELLIS. For any purpose?

Mr. HENNESSY. No, sir.

Mr. NELLIS. That is all I have, Mr. Chairman.

The CHAIRMAN. Any questions?

Mr. HALLEY. None.

The CHAIRMAN. All right, sheriff, thank you. This report will be made exhibit No. 68 to your testimony.

(The paper identified was thereupon received in evidence as exhibit No. 68, and is on file with the committee.)

Mr. HENNESSY. Would you like to have this one, too?

Mr. CHAIRMAN. Yes, sir. Let me see it.

Call Mr. Polizzi, please.

Mr. HENNESSY. I have a few notes on the back of this that don't mean anything.

The CHAIRMAN. Let's see it. Maybe I can give it back to you. This record that you have left us, sheriff, if you have no objection, we will make an exhibit to your testimony.

Mr. HENNESSY. Not at all.

(The Chairman refers to exhibit No. 67.)

The CHAIRMAN. All right, that is all.

**FURTHER TESTIMONY OF ALFRED POLIZZI, CORAL GABLES, FLA.,
ACCOMPANIED BY PARKER FULTON, ATTORNEY, CLEVELAND,
OHIO**

The CHAIRMAN. Mr. Polizzi, you have been sworn?

Mr. POLIZZI. Yes.

The CHAIRMAN. All right.

Mr. FULTON. I know that this has been a very arduous day for you gentlemen, and I assure you that I shall do nothing which will increase that character of the day.

The CHAIRMAN. Thank you, Mr. Fulton.

Mr. FULTON. I would like the record, however, to show this, that I have an objection to each and every question that will be asked, and second, whenever I do make an objection, and if no reason is stated, the objection is on the ground that both the question and the answer embrace a subject matter not pertinent to the inquiry.

When I make an objection and state a reason other than that, I should like the record to show that that is included also as the reason.

The CHAIRMAN. All right, we will agree with you—

Mr. FULTON. Moreover, when I make an objection, it will be addressed to the committee, and to the chairman. I shall engage in no altercations with counsel, personalities, or anything else.

Mr. NELLIS. Thank you, Mr. Fulton.

The CHAIRMAN. We will understand that, and we will agree with you. All right. Let's get down to the situation.

Mr. NELLIS. What is your name?

Mr. POLIZZI. Alfred Polizzi.

Mr. NELLIS. And where do you live?

Mr. POLIZZI. 8657 Granada Boulevard, Coral Gables, Fla.

Mr. NELLIS. Will you try to speak up?

Mr. POLIZZI. 6857, I am sorry. I am a little bit nervous.

The CHAIRMAN. What boulevard?

Mr. POLIZZI. Granada.

Mr. NELLIS. Have you ever been known by any name other than Albert Polizzi?

Mr. POLIZZI. Not that I know of. It is Alfred Polizzi.

Mr. NELLIS. I am sorry. Alfred Polizzi.

Mr. POLIZZI. Not that I know of.

Mr. NELLIS. Have you ever been known as Albert Allen?

Mr. POLIZZI. No. I don't know. I don't remember.

Mr. NELLIS. You don't remember that?

Mr. POLIZZI. I don't remember of being called that; no.

Mr. NELLIS. Were you ever known by the name of Joe Lauri?

Mr. POLIZZI. I don't think so.

Mr. FULTON. Keep your voice up.

The CHAIRMAN. I can't hardly hear myself. Pull one of those microphones closer to you, maybe we can hear better.

Mr. POLIZZI. Is this better?

The CHAIRMAN. Yes.

Mr. NELLIS. Have you ever been arrested?

Mr. POLIZZI. Yes.

Mr. HARRIS. What was the first time, do you recall?

Mr. POLIZZI. I really couldn't tell you what it was for.

Mr. NELLIS. Back in 1920——

Mr. FULTON. I object to that. I am very, very definite on that objection. It goes back to a period quite remote.

The CHAIRMAN. I expect you may have some connection to make to recent times. I don't know the purpose of the question.

Mr. FULTON. I am quite sure——

The CHAIRMAN. For the time being, we will overrule the objection.

Mr. FULTON. If it relates to an act done allegedly wrong, those acts were purely local, could have no connection with any crime in interstate commerce.

The CHAIRMAN. All right, Mr. Fulton. We understand your position.

Mr. FULTON. I think we ought to have a secret session on matters of this kind. This man is now in business, a business that requires credit, a business that requires putting up surety bond.

The CHAIRMAN. Is he living a good life; if he is, I am sure this hearing is not going to hurt him, Mr. Fulton.

All right, Mr. Nellis. Proceed.

Mr. NELLIS. In 1926 were you sentenced to jail? Do you recall that?

Mr. POLIZZI. Yes, I do.

Mr. NELLIS. What was the charge?

Mr. POLIZZI. I believe with reference to alcohol.

Mr. NELLIS. You mean the National Prohibition Act?

Mr. POLIZZI. Yes.

Mr. NELLIS. What was the sentence? Do you recall that?

Mr. POLIZZI. I think it was 6 months.

Mr. NELLIS. Was there a fine?

Mr. POLIZZI. Yes, of \$1,000, I believe.

Mr. NELLIS. And you served that time in the Federal penitentiary?

Mr. POLIZZI. Yes.

Mr. NELLIS. Where?

Mr. POLIZZI. I think it was in Ohio here.

Mr. NELLIS. And in 1927, do you recall being held for——

Mr. FULTON. Would you wait just a moment, please?

Mr. NELLIS. Yes.

Mr. FULTON. Well, I am going to object to an answer to that question.

Mr. NELLIS. What was the question?

Mr. FULTON. It wasn't finished, but it was going back to another act——

Mr. NELLIS. Well, in 1927, were you held in connection with suspicion of murder? Do you recall that?

Mr. FULTON. I object to that question, if Your Honor please, and I take exception to——

The CHAIRMAN. If he was held, or if he wasn't held, let him tell. We are trying to get at his record.

Mr. NELLIS. Hyman Weisenberg. Do you recall that?

The CHAIRMAN. We have his record here. I think we might say here that we will save a lot of time if you put the record in and ask him about it.

Mr. NELLIS. All right, Senator, we will do it that way.

I would like to put in evidence a record of Alfred Polizzi, alias Albert Polizzi, alias Albert Allen, prepared by the scientific identification bureau of the police department of Cleveland, Ohio.

Mr. FULTON. I object to that. I don't want to be talking all the time, because I don't want to be obtrusive.

The CHAIRMAN. Let's let Mr. Polizzi examine it, and if it is correct, well, then, that saves us a lot of time.

Mr. FULTON. Before he answers that, I said at the outset that I was considering, even before this part of this matter started, the filing of an action which would determine the validity, sufficiency, meaning, impendment, and scope of the subpoena, the status of this respondent in relation to the investigation.

I still feel that ought to be done in the view of adjudicated cases, indeed in view of things that were sent as a minority report to investigation into wire tapping where the St. Clair case, with which you gentlemen are familiar, was relied on, and I think even now this gentleman should have and be granted and afforded an opportunity for judicial determination of that question, and I should like to have this hearing continued and postponed so that that can be done, so that I can get a petition prepared and filed in an appropriate place, and I do think the appropriate place is in the District of Columbia where the United States Senate sits, and I respectfully request that in the interest of justice, in the interest of avoidance of compelling a man to talk about things that are in the remote past, maybe mistakes that have taken place, things that he has paid a penalty for if he has made them, to be brought up again in public gaze and destroy him if his efforts are in the right path.

I would like to have that opportunity, sir.

The CHAIRMAN. Well, we appreciate your position, Mr. Fulton, and, of course, you can file anything you want to.

If Mr. Polizzi has reformed and has no longer any criminal activities, I will try to say so, if I am convinced of that. We have a great deal of information about Mr. Polizzi which I think the committee must ask him about, and after the hearing is concluded, if it is shown that the contemporary history of Mr. Polizzi has turned to better ways of life and he is no longer engaged in any activity, why, I will certainly be the first to applaud him for his change in ways.

But for the present, Mr. Fulton, I should think that the situation about your client—his record is well known, it is publicly known. Mr. Polizzi should have an opportunity of explaining it.

The application will be denied at this time.

Mr. POLIZZI. Senator, please. I want to say something, please. May I?

The CHAIRMAN. All right. You may say anything you want to.

Mr. POLIZZI. Senator, I have led—ever since 1944 when I left Cleveland, I left for one purpose, and that was to get all the way away from all this old stuff that has been throwed at me time and time again, and I have had nothing else but heartaches.

I haven't made all of my money illegitimately, most of it was made legitimately. I did have some—I started perhaps the wrong way—

The CHAIRMAN. Mr. Polizzi, tell us about it. I mean, we will be the first to admit—

Mr. POLIZZI. The only thing is, it has been hashed over in the newspapers.

The CHAIRMAN. I understood you left Cleveland in 1940 or 1941, didn't you?

Mr. POLIZZI. I left in 1945.

The CHAIRMAN. I understood your history was, Mr. Polizzi, that about 1940, you told all your friends you were going straight, and then you got involved again in the year 1945.

Mr. POLIZZI. Well, I did. Not in 1940, but that was even before that, sir, and I did make that mistake, and that mistake I certainly wouldn't want to make it again. I did make a mistake that was no fault of mine, and I didn't think it was a mistake at that time. It turned out to be a mistake.

The CHAIRMAN. You were involved in violation of the Prohibition Act in 1945?

Mr. POLIZZI. In 1944, sir.

The CHAIRMAN. I mean, the alcohol tax.

Mr. POLIZZI. I made no money in that transaction, Senator.

The CHAIRMAN. Well, a lot of times when you are apprehended of a difficulty you don't make any money in it.

Mr. POLIZZI. No, I absolutely—

The CHAIRMAN. Anyway, we want to know the part that you played in interstate commerce crime or in any illegal transactions involving interstate commerce, and you have occupied an important place in a good many situations, and then after the hearing is over—I mean, after we conclude, why, if you say that you have reformed and you are going straight, why, this committee will be the first to applaud you in your efforts.

Mr. POLIZZI. Thank you, Senator, but I am fully aware that I am testifying under oath, and I made a statement here when I first was sworn with reference to organized crime.

The CHAIRMAN. You said that you were not now engaged in any organized crime.

Mr. POLIZZI. That is true.

The CHAIRMAN. But, of course, a lot of people were engaged in it 6 months ago who are not engaged now.

Mr. POLIZZI. I will say since 1944.

The CHAIRMAN. Let's see what you have done. A few questions won't do you any harm. Let's see what you have been involved in.

Mr. FULTON. I will so—

The CHAIRMAN. The issue has been presented, Mr. Fulton, and we are going to go into Mr. Polizzi's activities, and that is that.

Mr. FULTON. I wanted to mention one other thing, if I might. I am going to speak of two things very briefly: No. 1, this 1944 matter to which reference has been made, I was counsel, not for Mr. Polizzi, but his codefendant. I know that case.

The CHAIRMAN. We don't want to retry the case. He was convicted, or he pled guilty, one or the other, and we can't go back in the record in all of these matters.

Mr. FULTON. In that instance, it was in this courtroom, and I refused to stand up and plead my man guilty. I wouldn't get out of my chair.

The CHAIRMAN. Let's let Mr. Polizzi tell us about that. Let us start back at the beginning. Go ahead.

Mr. FULTON. The second thing I want to say is, and then I will be through—

The CHAIRMAN. You have had your say.

Mr. FULTON. There is one other thing, and then I am through. I understand—I don't know anything about this—but by reason of certain publications concerning this man there is now pending a lawsuit by him against the publisher of Look for what, from his standpoint, is libel, and from what is allegedly libel from the standpoint of the publisher, and these facts might be used by the other party in that lawsuit. Therefore, this ought to be done in secret.

The CHAIRMAN. Mr. Fulton, if there are some facts that Mr. Polizzi wants to testify about that have reference to his character, why, of course, they should be used in the lawsuit. We have no control over what Look says about Mr. Polizzi or about him bringing suit against Look, but, of course, it is not a matter of our control. If every witness were to be excused because he brought a libel suit, we would have a lot of them bringing libel suits.

Mr. POLIZZI. May I say this? I brought suit against Look because they accused me of being something that I am not, and I am not ducking the issue, they are. They are running away from me. I want them in court where they will have to prove what I am, or I will prove to them that I am not what they claim I am.

The CHAIRMAN. We can't do anything about your litigation with Look, Mr. Polizzi.

Proceed.

Mr. NELLIS. Mr. Chairman, I would like to put in evidence as an exhibit in connection with Mr. Polizzi, a department of—

The CHAIRMAN. Does Mr. Polizzi want to inquire about this record that is before him?

Mr. POLIZZI. Inasmuch as I would like to answer these questions, I am afraid that I will have to decline.

The CHAIRMAN. All right. We will ask specific questions, and if you decline that is your own responsibility.

Now, ask specific questions, Mr. Nellis, and I will rule on them as we go.

Mr. NELLIS. Handing you this paper, do you recognize the pictures on it?

Mr. POLIZZI. I would love to answer everything, only I just—

The CHAIRMAN. Either answer or not answer, Mr. Polizzi.

Mr. FULTON. He will answer all questions about the past in a secret, not an open hearing.

The CHAIRMAN. We decide whether we have an open or secret hearing.

Mr. FULTON. I understand that. I concede your right to do that.

The CHAIRMAN. The question is: Do you recognize the picture on the paper that has been furnished you?

Mr. NELLIS. What is your answer, Mr. Polizzi?

Mr. POLIZZI. Yes; I recognize the picture, but I—

Mr. NELLIS. Who are the persons on the picture?

Mr. POLIZZI. Of course—

The CHAIRMAN. Let's get the answer.

Mr. FULTON. He declines to answer any further questions about it.

The CHAIRMAN. Mr. Fulton, it is up to him to decline to answer.

Mr. POLIZZI. I decline to answer, sir.

The CHAIRMAN. The question is, do you recognize the pictures on the paper?

Mr. POLIZZI. Yes.

The CHAIRMAN. The next question: Is the picture of you?

Mr. POLIZZI. Yes.

The CHAIRMAN. The next question: Will you read the record in connection with the picture and state whether that record states a record in connection with you.

Mr. POLIZZI. That I refuse to answer, sir.

The CHAIRMAN. The chairman directs you to answer. Either say you will answer or you refuse to answer.

Mr. POLIZZI. I am sorry. As much as I would like to answer, I can't.

The CHAIRMAN. You refuse to answer?

Mr. POLIZZI. Yes.

The CHAIRMAN. All right. Ask him another question.

Mr. NELLIS. Do you know Fred Garmone?

Mr. POLIZZI. Yes.

Mr. NELLIS. Was he the party with whom you were convicted in the Alcohol Tax Unit case?

Mr. POLIZZI. Yes.

Mr. FULTON. May I say something right there? It happens that this gentleman is a lawyer and now right at this moment—

The CHAIRMAN. Mr. Fulton, speak up so we can all hear.

Mr. FULTON. He is engaged in the trial of a lawsuit.

The CHAIRMAN. Who?

Mr. FULTON. The man whose name was just mentioned, defending a man not whose liberty but life is at stake. A thing like that getting to that jury might reflect greatly on that lawsuit.

Mr. NELLIS. I am not going to ask any questions about it. I merely asked him if he knew him.

The CHAIRMAN. Defer any questions about Mr. Garmone.

Mr. NELLIS. Do you know Irving Levy of Miami Beach?

Mr. POLIZZI. Irving Levy? I don't recall the name.

Mr. NELLIS. Levy.

Mr. FULTON. Speak up.

Mr. POLIZZI. I don't recall the name.

Mr. NELLIS. You don't recall that? David Glass?

Mr. POLIZZI. Yes. Oh, pardon me. You mean Ike Levy?

Mr. NELLIS. Well, his name is Irving, isn't it?

Mr. POLIZZI. Irving? I know him as Ike.

Mr. NELLIS. The same man.

Mr. POLIZZI. I am sorry. I do know Ike Levy.

Mr. NELLIS. Isn't he a partner of yours?

Mr. POLIZZI. Yes.

Mr. NELLIS. And David Glass?

Mr. POLIZZI. Yes.

Mr. NELLIS. And Benjamin Street?

Mr. POLIZZI. Yes.

Mr. NELLIS. Did you enter into a partnership agreement with them on the 15th of August 1946?

Mr. POLIZZI. I believe that's the date.

Mr. NELLIS. What was the agreement about?

Mr. POLIZZI. It is a partnership in a hotel lease.

Mr. NELLIS. What is the name of the hotel?

Mr. POLIZZI. Sands

Mr. NELLIS. Pardon me?

Mr. POLIZZI. Sands.

Mr. NELLIS. On Miami Beach?

Mr. POLIZZI. That's right.

The CHAIRMAN. Let's get the names of these people again. I didn't get them.

Mr. NELLIS. Senator, Irving Levy.

The CHAIRMAN. That's Ike Levy?

Mr. NELLIS. Well, it is Irving in the agreement. I guess Mr. Polizzi knows him as Ike. David Glass of Miami Beach and Benjamin Street.

Mr. POLIZZI. That's correct.

Mr. NELLIS. Now, who is Mr. Levy?

Mr. POLIZZI. Mr. Levy is associated in this Sands Hotel venture.

Mr. NELLIS. How long have you known him?

Mr. POLIZZI. I have known him a few years. I wouldn't say too many. I was in business with him in 1946, perhaps when I first went down there, I would say.

Mr. NELLIS. What kind of a business was that 1948, Mr. Polizzi?

Mr. POLIZZI. That's the Sands, I have been in therein partnership, has been—

Mr. NELLIS. The partnership has been in effect since 1946 so it is the same thing you are talking about?

Mr. POLIZZI. That's right. Well, I have met him before that.

Mr. NELLIS. In what connection?

Mr. POLIZZI. Just met him. I didn't—not socially.

Mr. NELLIS. Who is David Glass?

Mr. POLIZZI. Also he is associated in the hotel business with me.

Mr. NELLIS. Where is he from?

Mr. POLIZZI. I understand he is from Philadelphia. I don't know—I didn't know at the time I went into partnership where he was from. I thought he was from Miami; I thought he had lived there for many years.

Mr. NELLIS. Who is Benjamin Street?

Mr. POLIZZI. Well, he also is active in the hotel.

Mr. NELLIS. Did you know him prior to this?

Mr. POLIZZI. Yes, I did.

Mr. NELLIS. In what connection?

Mr. POLIZZI. I knew he operated a hotel.

The CHAIRMAN. Where is he from?

Mr. NELLIS. He is from Philadelphia originally, Mr. Chairman. Is that right, Mr. Polizzi?

Mr. POLIZZI. I believe so, I found since that.

Mr. NELLIS. Aren't Mr. Glass and Mr. Street well known police characters from Philadelphia?

Mr. POLIZZI. Not that I know of.

Mr. NELLIS. Didn't know anything—

Mr. POLIZZI. Only what I heard or read in a paper in an editorial—not an editorial but a news item that came out with reference to Street and Glass.

Mr. NELLIS. What did you read about them?

Mr. POLIZZI. It said that they were arrested sometime ago, I don't know just when, but a long time ago in Philadelphia with reference to some business or other that wasn't holy.

Mr. NELLIS. The two of them together or each one separately?

Mr. POLIZZI. I don't know whether it was together or separately.

Mr. NELLIS. Your agreement called for an equal share for the four of you or the three of you, rather—I am sorry, the four of you.

Mr. POLIZZI. There is four.

Mr. NELLIS. Yes. Equal shares in the Sands Hotel?

Mr. POLIZZI. Yes.

Mr. NELLIS. Would you describe this hotel to me? I haven't seen it.

Mr. POLIZZI. Well, the hotel is on the beach and it is on the ocean front.

Mr. NELLIS. How many rooms?

Mr. POLIZZI. It has about 104 rooms in it. It has a beautiful pool and cabanas, it has a patio, and the features that any nice hotel would have.

Mr. NELLIS. How much did it cost to acquire?

Mr. POLIZZI. The lease is \$90,000 a year.

Mr. NELLIS. Oh, you leased it from somebody?

Mr. POLIZZI. Yes.

Mr. NELLIS. Who was that from?

Mr. POLIZZI. Well, we leased it from—there was an agent in the deal.

Mr. NELLIS. What was his name?

Mr. POLIZZI. I am trying to think of it.

Mr. NELLIS. Yes, sir?

Mr. POLIZZI. I believe you will find it in the partners' agreement.

Mr. NELLIS. Well, I will hand it to you, and you see if you can find his name.

Ninety thousand dollars a year you testified?

Mr. POLIZZI. Yes.

Mr. NELLIS. And you lease it from whom?

Mr. POLIZZI. Well, I know it is a Mrs. Hall, but he represented Mrs. Hall. I don't—I am terribly sorry; I know that name very well.

Mr. NELLIS. It will come to you later.

Mr. POLIZZI. I hope so.

Mr. NELLIS. And the partnership agreement contained a provision by which David Glass was to receive a salary of \$100 a week?

Mr. POLIZZI. That is right.

Mr. NELLIS. What was that for?

Mr. POLIZZI. Management.

Mr. NELLIS. What were his duties there?

Mr. POLIZZI. Well, to oversee and help out in any way that he could, see that—in other words, he had management of the hotel, supervision.

Mr. NELLIS. Did you ever hear of Herman Stark?

Mr. POLIZZI. Yes, sir.

Mr. NELLIS. Who is he?

Mr. POLIZZI. Well, I have met Herman at the hotel several times. As a matter of fact, he had a cabana there.

Mr. NELLIS. How well do you know him?

Mr. POLIZZI. Only since I have been there.

Mr. NELLIS. And where is he from?

Mr. POLIZZI. I really couldn't tell you. I know that he isn't a local—

Mr. NELLIS. From Philadelphia, isn't he?

Mr. POLIZZI. Perhaps. I am not certain.

Mr. NELLIS. Who is Adolph M. Saltsman?

Mr. POLIZZI. Well, he was the—he was a hotel chief clerk.

Mr. NELLIS. Do you know a man by the name of Harry Stromberg?

Mr. POLIZZI. Harry Stromberg?

Mr. NELLIS. From Philadelphia.

Mr. POLIZZI. I may know him.

Mr. NELLIS. Nig Rosen?

Mr. POLIZZI. I have heard of him. And I believe I have met him.

Mr. NELLIS. It was at the Sands Hotel, wasn't it?

Mr. POLIZZI. I don't know whether it was or not.

Mr. NELLIS. What is his business?

Mr. POLIZZI. I don't know. I don't know the man well enough to know.

Mr. NELLIS. Well, how many times have you met him?

Mr. POLIZZI. I really couldn't tell you. If I did meet him, it was just to say the time of day.

Mr. NELLIS. When was the last time you saw him?

Mr. POLIZZI. I really couldn't—I don't recall. I know it has been a long time.

Mr. NELLIS. Do you know "Mussy" Rosen, his brother?

Mr. POLIZZI. I don't think so.

Mr. NELLIS. From Philadelphia.

Mr. POLIZZI. I don't think so.

Mr. NELLIS. Or Willie Weisburg?

Mr. POLIZZI. I have met him, too, but I don't know. I don't know these people; I have just met them.

Mr. NELLIS. Who was Willie Weisburg?

Mr. POLIZZI. I don't know anything about him.

Mr. NELLIS. You have met him at the Sands Hotel, haven't you?

Mr. POLIZZI. I couldn't say whether it was the Sands Hotel, although they have been there, and I know for sure that they lived there, but whether I met them there, of course I don't know.

Mr. NELLIS. Well, I assume you had a cabana there.

Mr. POLIZZI. Yes; I did.

Mr. NELLIS. And they came around and sat around and talked to you; didn't they?

Mr. POLIZZI. I talked to most of the guests.

Mr. NELLIS. Most of the gang? Or most of the guests?

Mr. POLIZZI. Guests.

Mr. NELLIS. Guests. Do you know Max Rothman? Did you ever meet Max Rothman?

Mr. POLIZZI. I might know him. I don't know.

Mr. NELLIS. Known as "Chinkie?"

Mr. POLIZZI. No; I don't know whether I have or not. I have met lots of people.

Mr. NELLIS. Well, you have met lots of certain people; yes.

Mr. POLIZZI. Well, I have met lots of every kind of people.

Mr. NELLIS. Who is Samuel "Capp," He Emanuel?

Mr. POLIZZI. I have met him, too.

Mr. NELLIS. He lives at the Sands Hotel?

Mr. POLIZZI. I believe he did.

Mr. NELLIS. Well, who is he?

Mr. POLIZZI. I don't know anything about him.

Mr. NELLIS. Isn't he the top muscleman in the Nig Rosen mob in Philadelphia?

Mr. POLIZZI. If he is, I don't know anything about him.

Mr. FULTON. I object to the question, with language like that in it.

Mr. NELLIS. I am asking the witness whether he knows. We are getting along very well.

Mr. FULTON. I object; I am objecting to the chairman.

The CHAIRMAN. All right. I will sustain the objection.

Do you know if he is a strong-arm man in the gang of Nig Rosen?

Mr. POLIZZI. Senator, I don't know anything about it.

Mr. NELLIS. Do you know Irving Greenberg?

Mr. POLIZZI. I don't think I know him.

Mr. NELLIS. He lives at the Sands Hotel; doesn't he?

Mr. POLIZZI. Perhaps he did.

Mr. NELLIS. Now, Mr. Polizzi, do you know Willie Moretti?

Mr. POLIZZI. I might have met the gentleman. I don't know.

Mr. NELLIS. Do you know him as Willie Moore?

Mr. POLIZZI. I might have met him, but I don't—

Mr. NELLIS. Where did you meet him, Mr. Polizzi?

Mr. POLIZZI. I couldn't tell you. I don't know. If I have met him—I have met lots of people, and for me to remember exactly where I met him, I would be guessing.

Mr. NELLIS. Well, Mr. Moretti told us in Washington that he "knows you well." That is a quote from him.

Mr. POLIZZI. I don't care what he says. Let him say that to me. I don't know the gentleman. I have never—I have never associated with him, never had any business with him; I don't know how I could know him. I might know him—

Mr. NELLIS. Is he basking in your reflected glory when he says he "knows you well"?

Mr. POLIZZI. I don't quite get the question.

Mr. FULTON. You mean there is too much rhetoric in the question?

Mr. NELLIS. I withdraw the question. It is perfectly all right.

Who is John Rosselli?

Mr. POLIZZI. I don't know him.

Mr. NELLIS. Out in California, Johnny Rosselli.

Mr. POLIZZI. I have read about him, but I don't know him.

Mr. NELLIS. Well, he says he knows you.

Mr. POLIZZI. Perhaps he says he knows me. Maybe he does; maybe he don't. But I don't know him.

I might have met the man; I don't know. I mean, just meeting a man, is that knowing him? I have met lots of people.

Mr. NELLIS. Well, he testified in our California hearings under oath that he knows you.

Mr. POLIZZI. Well, perhaps he did, but I am telling you that as far as I am concerned I might have met him, but I don't know. I am not saying this for effect. I mean exactly—

Mr. NELLIS. Do you know Jack Dragna, of California?

Mr. POLIZZI. No; I don't. I have heard the name.

Mr. NELLIS. You never met him?

Mr. POLIZZI. I might have.

Mr. NELLIS. Where?

Mr. POLIZZI. I don't know. I have met lots of people.

Mr. NELLIS. Well, Jack Dragna testified in California—or, rather, in Chicago, wasn't it, Senator?—that he knows you. He met you "out on the west coast." That is a quote.

Mr. POLIZZI. I have been out on the west coast. Perhaps it might be.

Mr. NELLIS. Well, you met him out there, didn't you?

Mr. POLIZZI. I don't know whether I did or not.

Mr. NELLIS. Well, he says you did, under oath.

Mr. POLIZZI. As I said before, I might have met him. I don't remember.

Mr. NELLIS. Do you know Paul Ricca—"The Waiter"? Paul "The Waiter" Ricca?

Mr. POLIZZI. Well, I have read about him, and I don't know; I might have met him, too.

Mr. NELLIS. He testified under oath that he knows you.

Do you know Little Augie—

The CHAIRMAN. Well, that is DeLucia.

Mr. NELLIS. Ricca?

The CHAIRMAN. Well, Ricca, but the same name.

Mr. NELLIS. Paul DeLucia? Is that right, Senator?

The CHAIRMAN. Yes.

Mr. NELLIS. Do you know him as Paul DeLucia—Paul "The Waiter"?

Mr. POLIZZI. If you have reference to that person that—I don't know whether I met him or not. I think I might have met him. I don't know. I am not so certain.

That is the—I am trying to be candid, here, and frank.

Mr. NELLIS. Yes, yes.

Mr. POLIZZI. And if I did meet him I would tell you so. I can't quite recall.

Mr. NELLIS. Do you know Joe Doto, alias Joe Adonis?

Mr. POLIZZI. No.

Mr. NELLIS. You never met him?

Meyer Lansky?

Mr. POLIZZI. I might have met him.

Mr. NELLIS. Did you ever meet his brother Jake?

Mr. POLIZZI. I think so.

Mr. NELLIS. Where did you meet them?

Mr. POLIZZI. In Florida.

Mr. NELLIS. At the Sands Hotel?

Mr. POLIZZI. No.

Mr. NELLIS. At the Wofford?

Mr. POLIZZI. No. I was out to the—I was out one New Year's Eve to that club out there.

Mr. NELLIS. What place is that?

Mr. POLIZZI. The Colonial Inn.

Mr. NELLIS. And that was the only time you met them?

Mr. POLIZZI. I believe so.

Mr. NELLIS. What kind of place was the Colonial Inn? Do you remember?

Mr. POLIZZI. Very beautiful spot.

Mr. NELLIS. A gambling casino?

Mr. POLIZZI. I believe so.

Mr. NELLIS. Do you know the Angersolas, John, George, Freddy?

Mr. POLIZZI. Very well.

Mr. NELLIS. You have had real-estate transactions with them?

Mr. POLIZZI. With John.

Mr. NELLIS. With John?

Mr. POLIZZI. Yes.

Mr. NELLIS. Consisting of what?

Mr. POLIZZI. Some lots that were purchased—in the Gables.

Mr. NELLIS. Well, what was the value of the lots, when you bought them?

Mr. POLIZZI. Well, I made the deal for John and my wife both. I recommended—my wife sold a piece of property here in Cleveland, and she had some money, and I was looking around for an investment for her. I found some lots that I thought were a pretty good value, and I didn't want all of the lots, and I asked Mr. King if he would like to go——

Mr. NELLIS. Who is Mr. King?

Mr. POLIZZI. This Angersola, John King.

Mr. NELLIS. Well, his name is Angersola; isn't it?

Mr. POLIZZI. Well, I have always known him as John King.

Mr. NELLIS. Go ahead.

Mr. POLIZZI. And he said he was interested; and, of course, I negotiated the deal for them to buy these lots in this particular location.

Mr. NELLIS. And how much did you pay for your share of the lots?

Mr. POLIZZI. I believe the lots were \$500 a lot; that is what they ran.

Mr. NELLIS. How many were there?

Mr. POLIZZI. And there was some 39 lots.

Mr. NELLIS. About \$20,000; right?

Mr. POLIZZI. In that figure.

Mr. NELLIS. Have you had any real-estate transactions with Mr. McBride?

Mr. POLIZZI. Yes.

Mr. NELLIS. Will you tell us a little bit briefly about those?

Mr. POLIZZI. Well, we still have some property——

Mr. NELLIS. University Estates?

Mr. POLIZZI. University Estates.

Mr. NELLIS. How did you happen to get into that, Mr. Polizzi?

Mr. POLIZZI. Well, when I first went to Miami, I was looking around for investments, naturally. I pulled out away from here, and I took what little possessions I had; and I didn't want to get into anything right offhand, so I looked around to see what I could do.

And one man in particular that I knew, I went over to see him, this real-estate man. And I went to several real-estate men and told them that if they heard of anything that sounded good, to let me know, that I was in a market to buy.

And one day I walked into this real-estate office, and this gentleman said to me, "I think I have got a deal if you like it."

And he told me about this particular property, and he told me, "Now, McBride is interested in this property with a fellow by the name of Frankel. I believe Frankel is going to pull out; and, if you are interested in purchasing Frankel's part, I will be very glad to submit it to McBride."

So I went into the deal a little further, and I found out where the property was, what it was worth, and so forth and so on, as you would do, and I decided it was a fair deal.

Mr. POLIZZI. I called Mr. McBride, and I asked him if there was any objection to me going into this proposition with him, and he said none whatsoever. And I believe that Mr. Brown——

Mr. NELLIS. When was the last time you saw Mr. McBride, Mr. Polizzi?

The CHAIRMAN. Let him finish.

Mr. NELLIS. I am sorry; I thought you had finished. Did you finish your answer?

Mr. POLIZZI. Yes; I finished. I saw him just a little while ago, when he was here, as a matter of fact.

Mr. NELLIS. Did you talk with him before you testified?

Mr. POLIZZI. Yes; we did.

Mr. NELLIS. What did you talk about?

Mr. POLIZZI. Well, I wanted to freshen my memory as well as his, about any deals that we might have had together.

Mr. NELLIS. Do you know Joe Massey?

Mr. POLIZZI. Yes; I do.

Mr. NELLIS. How well do you know him?

Mr. POLIZZI. I know him very well.

Mr. NELLIS. What is his business?

Mr. POLIZZI. I understand he is in the meat business.

Mr. NELLIS. Does he have any other businesses?

Mr. POLIZZI. That I don't know. I have heard that he has, from this meeting——

Mr. NELLIS. Well, what have you heard?

Mr. POLIZZI. I have heard that he has been interested in gambling houses and what not, but I don't know that; I never discussed that with him.

Mr. NELLIS. Do you know Charlie Fischetti?

Mr. POLIZZI. Yes; I do.

Mr. NELLIS. How well do you know him?

Mr. POLIZZI. I don't know him too well, just to say "Hello."

Mr. NELLIS. Where did you meet him?

Mr. POLIZZI. I met him in Miami.

Mr. NELLIS. How about Rocco; do you know him, Rocco Fischetti, his brother?

Mr. POLIZZI. His brother. I have met him, too.

Mr. NELLIS. Did you know Al Capone?

Mr. POLIZZI. No; I did not.

Mr. NELLIS. Never met him?

Mr. POLIZZI. No; I did not.

Mr. NELLIS. In 1940 did you have some income from a Buckeye Catering Co.?

Mr. FULTON. Object.

Mr. POLIZZI. Please. You know that's so old, Mr. Nellis.

Mr. FULTON. I object to the remoteness of it.

Mr. NELLIS. Mr. Chairman——

The CHAIRMAN. All right. Were you in the Buckeye Catering Co. in 1940? That is the question.

Mr. FULTON. We are right back to the same problem again.

Mr. POLIZZI. In 1940; no.

Mr. NELLIS. You are sure about that?

Mr. POLIZZI. I am positive.

Mr. NELLIS. 1940.

Mr. POLIZZI. No; I was not.

Mr. NELLIS. Well, in 1940 you received the sum of——

The CHAIRMAN. Let me ask this question.

Mr. NELLIS. All right, sir.

The CHAIRMAN. Were you in the Buckeye Catering Co. and, if so, when?

Mr. FULTON. I object to that question if the answer takes us back to this early period, for the reason I have given in the past.

The CHAIRMAN. All right. We overrule your objection, Mr. Fulton.

Mr. POLIZZI. Senator, I don't like to answer those questions, it just takes me back and tears me all apart.

The CHAIRMAN. I am sorry about that. You can tell it very dispassionately, I am sure.

Mr. POLIZZI. I know. You know——

The CHAIRMAN. What was the Buckeye Catering Co. and were you in it and, if so, when?

Mr. POLIZZI. I'm sorry, I can't answer that question.

The CHAIRMAN. You refuse to answer?

Mr. POLIZZI. Yes, I must.

The CHAIRMAN. Well, let the record show that the Chair directs you to answer.

Mr. NELLIS. Are you going to answer, Mr. Polizzi?

Mr. POLIZZI. I can't answer that question.

The CHAIRMAN. Speak up. You refuse to answer it?

Mr. POLIZZI. I refuse to answer it.

The CHAIRMAN. All right.

Mr. NELLIS. You know Tony Accardo?

The CHAIRMAN. Let's ask a little bit more about the Buckeye Catering Co.

Mr. NELLIS. I am coming back to that. What was the business of the Buckeye Catering?

Mr. FULTON. Objection, the same grounds. Consistency would require a declination to answer that question. Counsel will take the responsibility.

The CHAIRMAN. Well, that's all right. The question is, do you know what the business of the Buckeye Catering Co. was?

Mr. FULTON. Objection.

The CHAIRMAN. Will you answer or not?

Mr. POLIZZI. I can't answer it.

The CHAIRMAN. Well, speak up, Mr. Polizzi, you are a big man. Do you want to answer or do you not?

Mr. POLIZZI. I would like to answer but I just——

Mr. NELLIS. Why don't you, Mr. Polizzi?

The CHAIRMAN. Just a minute.

Mr. POLIZZI. I don't——

The CHAIRMAN. Will you answer or not? I mean, there is no use of arguing about it.

Mr. POLIZZI. No; not in an open hearing.

The CHAIRMAN. You refuse to answer?

Mr. POLIZZI. Yes, sir.

Mr. FULTON. He says he refuses to answer in an open hearing.

The CHAIRMAN. All right. The chairman directs you to answer. Do you refuse to follow the direction of the Chair?

Mr. POLIZZI. Yes, sir.

The CHAIRMAN. You refuse? All right.

Mr. NELLIS. Who were your partners in the Buckeye Catering Co.?

Mr. FULTON. Objection.

The CHAIRMAN. Well, did you have partners or associates in an organization called the Buckeye Catering Co.?

Mr. POLIZZI. I refuse to answer.

Mr. FULTON. Objection.

The CHAIRMAN. The chairman directs you to answer.

Mr. POLIZZI. I refuse to answer.

Mr. FULTON. Let an objection be shown to any questions in relation to this enterprise, just to save time and——

The CHAIRMAN. Mr. Fulton, you started out and wanted the record to show you made objection to all questions.

Mr. FULTON. That is right.

The CHAIRMAN. So we——

Mr. FULTON. Now I want a specific one to this fact because of this refusal here at this point.

The CHAIRMAN. All right.

Mr. FULTON. I don't want to object to each question.

Mr. NELLIS. What is the Skill Amusement Co.? Did you ever hear of that?

Mr. POLIZZI. No; I don't think so. I don't know.

Mr. NELLIS. You don't think so. Didn't you show some income from Skill Amusement Co.? Do you recall any income from that?

Mr. POLIZZI. I don't recall it.

Mr. NELLIS. Did you receive any from Skill Amusement Co.?

Mr. POLIZZI. I don't recall receiving any. I don't.

Mr. NELLIS. What was the City Vending Co.?

Mr. POLIZZI. I don't know.

Mr. NELLIS. You don't know that?

Mr. POLIZZI. I don't know.

Mr. NELLIS. Who was Nathan and Francis Weisenberg?

Mr. FULTON. If Your Honor please, I don't understand the question.

Mr. NELLIS. Who were Nathan and Francis Weisenberg?

The CHAIRMAN. Who are they or who were they? I don't know whether they are living or dead.

Mr. NELLIS. They are both dead, Senator.

The CHAIRMAN. Did you know Nathan and Francis Weisenberg?

Mr. POLIZZI. Yes, sir; I knew them.

Mr. NELLIS. Didn't you receive some income from a partnership with them?

Mr. POLIZZI. I refuse to answer that.

The CHAIRMAN. The chairman directs you to answer it.

Mr. POLIZZI. I am sorry.

Mr. FULTON. To what date does your question refer, may I ask?

Mr. NELLIS. 1940 and '41.

Do you know James and Charles Polizzi?

Mr. POLIZZI. Pardon me. You say 1940 and '41?

Mr. NELLIS. 1940.

Mr. POLIZZI. That I received—I did not receive any income from that.

Mr. NELLIS. Will you answer the question as to who they are and what business you were in with them?

Mr. POLIZZI. It takes us right back to where we started.

The CHAIRMAN. Well, the question is, were you in business with Nathan and who was the other?

Mr. NELLIS. Francis.

The CHAIRMAN. And Francis——

Mr. NELLIS. Weisenberg.

The CHAIRMAN. Weisenberg, and, if so, what was the business?

Mr. POLIZZI. I am trying to deliberate in my own mind. Senator. You will excuse me for taking a little time. I know that gentleman—I did know the gentleman. I did have business with Nathan Weisenberg.

Mr. NELLIS. What sort of business?

Mr. POLIZZI. The Buckeye Catering.

Mr. NELLIS. I can't hear you.

Mr. POLIZZI. The Buckeye Catering.

Mr. NELLIS. What kind of a business was that?

Mr. POLIZZI. That I refuse to answer.

Mr. NELLIS. Who were your other partners in that business?

Mr. POLIZZI. That I refuse to answer.

The CHAIRMAN. You understand the chairman is directing you to answer these questions?

Mr. POLIZZI. I understand, sir.

Mr. NELLIS. Who is Vincent Mangine? Do you know him?

Mr. POLIZZI. Yes, very well.

Mr. NELLIS. Known as Doc Mangine?

Mr. POLIZZI. Very well.

Mr. NELLIS. Did you have any business relationships with him?

Mr. POLIZZI. I had.

Mr. NELLIS. What were they?

Mr. POLIZZI. He has some interest in the Thompson & Polizzi Construction.

Mr. NELLIS. How about back in 1940?

Mr. POLIZZI. In 1940; no.

Mr. NELLIS. Weren't you in a slot-machine business with him?

Mr. FULTON. Object to that question.

Mr. POLIZZI. No.

The CHAIRMAN. Well, were you? How did you answer it?

Mr. FULTON. He answered "No."

Mr. NELLIS. He answered "No."

Who is Morris C. Haas?

Mr. POLIZZI. He is a lawyer in the city.

Mr. NELLIS. Where?

Mr. POLIZZI. Morris C. Haas?

Mr. NELLIS. Yes; who is Morris C. Haas?

Mr. POLIZZI. The gentleman I know. I know the gentleman.

Mr. NELLIS. Isn't he a brother of Sam Haas?

Mr. POLIZZI. I believe so.

Mr. NELLIS. Didn't you have some business dealings with him back in 1940?

Mr. POLIZZI. Not in 1940.

Mr. NELLIS. 1941?

Mr. POLIZZI. No.

Mr. NELLIS. 1942?

Mr. POLIZZI. No.

Mr. NELLIS. 1943?

Mr. POLIZZI. No.

Mr. NELLIS. Well, then?

Mr. FULTON. Object if that calls for an answer that goes back to this other period.

Mr. NELLIS. Well, when?

Mr. POLIZZI. I refuse to answer that.

Mr. NELLIS. You refuse to answer?

The CHAIRMAN. Let's get the question right. Were you in business or did you have some business—

Mr. NELLIS. With Morris C. Haas in 1940.

Mr. POLIZZI. No; I didn't have anything to do with him in 1940.

Mr. NELLIS. Or within 10 years prior to 1940. What was your answer?

Mr. POLIZZI. I said that I didn't have anything to do with him in 1940.

The CHAIRMAN. Well, Mr. Polizzi, the question was, were you ever in business with Morris Haas and, if so, tell us when and what it was.

Mr. POLIZZI. I was in business with him but I don't—I don't care to discuss the nature.

The CHAIRMAN. And you refuse to answer that question?

Mr. POLIZZI. I said I was in business with him, Senator.

The CHAIRMAN. Will you tell us the nature of the business?

Mr. POLIZZI. I can't.

The CHAIRMAN. Well, let the record show the chairman directs you to tell the nature of the business. You refuse to do so?

Mr. POLIZZI. I refuse to do so.

Mr. NELLIS. Do you know Samuel T. Haas?

Mr. POLIZZI. Yes.

Mr. NELLIS. How long have you known him?

Mr. POLIZZI. A number of years; I don't know just how many years.

Mr. NELLIS. Have you had any business dealings with him?

Mr. POLIZZI. None.

Mr. NELLIS. You know Morris Kleinman?

Mr. POLIZZI. Yes.

Mr. NELLIS. How well do you know him?

Mr. POLIZZI. I know him for many years.

Mr. NELLIS. Have you had any business dealings with him?

Mr. POLIZZI. None.

Mr. NELLIS. Do you know Moe Dalitz?

Mr. POLIZZI. I do.

Mr. NELLIS. How long have you known him?

Mr. POLIZZI. Many years.

Mr. NELLIS. Did you have any business dealings with him?

Mr. POLIZZI. None.

Mr. NELLIS. Louis Rothkopf?

Mr. POLIZZI. Yes.

Mr. NELLIS. Of course, you know Chuck Polizzi?

Mr. POLIZZI. Yes.

Mr. NELLIS. Who is he?

Mr. POLIZZI. He is in the coal business, if that's asking me who he is.

Mr. NELLIS. Who is he? Isn't he related to you?

The CHAIRMAN. Is he your brother, Chuck Polizzi?

Mr. POLIZZI. No; he is not a brother.

The CHAIRMAN. He is not a brother?

Mr. POLIZZI. No.

Mr. NELLIS. How did he happen to have the same name? Is he related to you?

Mr. POLIZZI. There are a lot of Polizzis.

Mr. NELLIS. Is he related to you in any way?

Mr. POLIZZI. Well, I have always considered him a cousin.

Mr. NELLIS. A cousin?

Mr. POLIZZI. That's right, so I have considered him a cousin for many years.

Mr. NELLIS. What business is he in?

Mr. POLIZZI. In the coal business.

Mr. NELLIS. Any other businesses that you know about?

Mr. POLIZZI. That I don't know.

Mr. FULTON. Mr. Chairman, just to get the record straight: The suggestion was made a moment ago by a question, the inference in the question being that the respondent here, the witness, and Chuck Polizzi have the same name. That is not correct. The name of one, I think, is Alfred, and the other is Albert.

The CHAIRMAN. I think that we understand this is Albert.

Mr. POLIZZI. I am Alfred.

The CHAIRMAN. This is Alfred?

Mr. FULTON. That is Alfred.

The CHAIRMAN. The other one is Chuck?

Mr. FULTON. That's right.

The CHAIRMAN. And they are cousins?

Mr. FULTON. I guess if we use Al and Chuck we will keep them separate.

Mr. NELLIS. Have you been in business with him?

Mr. POLIZZI. Yes.

Mr. NELLIS. What kind of business?

Mr. POLIZZI. Well, I was in a real-estate deal with Chuck.

Mr. NELLIS. When was that?

Mr. POLIZZI. In the forties.

Mr. NELLIS. Any other deals?

Mr. POLIZZI. Yes.

Mr. NELLIS. What was that?

Mr. POLIZZI. That I refuse to answer.

The CHAIRMAN. Well, you were in a gambling place with him, Mr. Polizzi. That is what we want to know.

Mr. POLIZZI. I know.

The CHAIRMAN. Sir?

Mr. POLIZZI. I say I know that.

The CHAIRMAN. Do you want to tell us about it or not?

Mr. POLIZZI. I don't want to answer the question.

The CHAIRMAN. You refuse to answer it?

Mr. POLIZZI. Yes.

The CHAIRMAN. The chairman directs you to answer, and you refuse?

Mr. POLIZZI. I refuse.

Mr. FULTON. Counsel would just like to point out here that if the implication intended by the question, and the inference is correct and accurate, it relates to a business and enterprise purely local and an

activity quite remote from the present day as to time, and as to relevancy to the subject matter.

The CHAIRMAN. Mr. Fulton, he won't even tell us whether he was in the business. We can't tell whether it was remote or not.

Mr. FULTON. I addressed myself to the inference in the question.

The CHAIRMAN. If he can tell us when it was, we might get at the thing.

Mr. NELLIS. Do you know Ralph O'Hara?

Mr. POLIZZI. No.

Mr. NELLIS. Have you ever met him?

Mr. POLIZZI. No.

Mr. NELLIS. Do you know Jack Guzik?

Mr. POLIZZI. No; I don't.

Mr. NELLIS. You never met him?

Mr. POLIZZI. Never met him.

Mr. NELLIS. Do you know Anthony Milano?

Mr. POLIZZI. I do.

Mr. NELLIS. How long have you known him?

Mr. POLIZZI. Many years.

Mr. NELLIS. What is his business.

Mr. POLIZZI. Well, he has got a bank, he has got the American Brotherhood Bank, and he had, I believe, a newspaper. I don't know what else.

Oh, yes, and an importing business.

Mr. NELLIS. Do you know any other business that he had?

Mr. POLIZZI. No; I don't.

Mr. NELLIS. Were you two partners in a place at one time?

Mr. POLIZZI. No.

Mr. NELLIS. You and his brother, perhaps?

Tell us about that please?

Mr. POLIZZI. Well, we had an importing store that we bought and sold.

Mr. NELLIS. What?

Mr. POLIZZI. Wholesale groceries.

Mr. NELLIS. Where was that?

Mr. POLIZZI. That was on Mayfield, Mayfield Road.

Mr. NELLIS. What was the address of that place?

Mr. POLIZZI. I believe it was 126 something, I don't remember.

Mr. NELLIS. Was that a Venetian Cafe, or something like that, where you and Frank Milano had a restaurant?

Mr. POLIZZI. Well, that is before. I don't know anything about that.

Mr. NELLIS. You weren't in that with Frank Milano?

Mr. POLIZZI. No.

The CHAIRMAN. Were you in some other business with Frank Milano besides the one you talked about?

Mr. POLIZZI. No, sir.

Mr. NELLIS. I have no further questions at this time. I will have some later.

The CHAIRMAN. Mr. Halley.

Mr. HALLEY. Yes.

Is in your position that starting in 1944 you went down to Florida to start a new life?

Mr. POLIZZI. I went in 1945; that's right. It was 1945.

Mr. FULTON. You will pardon my having suggested that, because I know the dates of that trial and the date in the indictment.

Mr. POLIZZI. Well, I didn't quite remember. It is 1945.

Mr. HALLEY. And since then, what has been your principal business?

Mr. POLIZZI. Well, namely, construction and real estate and the hotel.

Mr. HALLEY. And the hotel?

Mr. POLIZZI. Operation of a hotel.

Mr. HALLEY. Who has been your principal associates?

Let's take them business by business.

Mr. POLIZZI. All right. In the hotel it was Ike Levy and David Glass and Benny Street, and—I want to correct that hotel thing in there, too.

Mr. King is a partner of mine in the hotel business, not a partner to the partnership, but a partner of mine.

Mr. HALLEY. You mean he has a part of your interest?

Mr. POLIZZI. He has part of my interest.

Mr. HALLEY. Which King is that?

Mr. POLIZZI. Mr. John King.

Mr. HALLEY. John King?

Mr. POLIZZI. That's right.

Mr. HALLEY. Those are your sole associates in the hotel business? Is that right?

Mr. POLIZZI. I'm sorry.

Mr. HALLEY. Those are your sole associates in the hotel business?

Mr. POLIZZI. That's right.

Mr. HALLEY. Glass had a long criminal record in Philadelphia, did he not?

Mr. POLIZZI. I didn't know about it if he did.

Mr. HALLEY. Well, now, you went down to Florida to start this new life; did you check on the background of your new associates?

Mr. POLIZZI. Mr. King was not a new associate.

Mr. HALLEY. Well, Glass and Street were and Levy.

Mr. POLIZZI. They were recommended to me by Mr. King.

Mr. HALLEY. Mr. King recommended your new associates?

Mr. POLIZZI. That's right.

Mr. HALLEY. Did you feel that Johnny King was a qualified person to lead you into this new path of straight living?

Mr. POLIZZI. Well, I didn't think there was anything wrong in going in the hotel business, and it proved to be successful, so the venture, from what I can see, is very good.

Mr. HALLEY. It has been profitable, in any event?

Mr. POLIZZI. Yes.

Mr. HALLEY. But, as far as you know, your associates might or might not have a clean background?

Mr. POLIZZI. I didn't know that.

Mr. HALLEY. You didn't care?

Mr. POLIZZI. I didn't know whether they did or didn't. What I was doing was, I went into a business venture I thought I could make some money with.

Mr. HALLEY. I understand that. What I am trying to find out—I will tell you just what I am thinking of.

Mr. POLIZZI. All right.

Mr. HALLEY. Just as you were kind enough in telling the committee your reason for not testifying.

Mr. POLIZZI. That's right.

Mr. HALLEY. I presume that you just want to put that background behind you and not even talk about it.

Mr. POLIZZI. That's exactly right.

Mr. HALLEY. I am merely trying to find out now if you put the background behind you.

Mr. POLIZZI. All right.

Mr. HALLEY. Did you really go out and get yourself new, clean associates who had no criminal background, no racketeering past?

Mr. POLIZZI. I have.

Mr. HALLEY. Who are the new associates you got? You say that in the hotel business John Angersola introduced you to some people, and you and he took an interest which you held, is that right?

Mr. POLIZZI. That's right.

Mr. HALLEY. And, of course, Angersola was one of your old——

Mr. POLIZZI. Friends.

Mr. HALLEY (continuing). Associates back here in Cleveland, is that right?

Mr. POLIZZI. That's right.

Mr. HALLEY. And you had been in business ventures with Angersola?

Mr. POLIZZI. That's right.

Mr. HALLEY. But they are of a nature that you just don't want to tell the committee about them?

Mr. POLIZZI. That's right.

Mr. HALLEY. I can only presume that you are ashamed to.

Mr. POLIZZI. That's right, Mr. Halley.

Mr. HALLEY. Then we get to your other businesses. What are they?

Mr. POLIZZI. Construction.

Mr. HALLEY. We will just take that one.

Who are you in business with?

Mr. POLIZZI. I am in business with the Thompsons, that is Forrest Thompson and his two sons.

Mr. HALLEY. Forrest Thompson.

Mr. POLIZZI. And Mr. Mangine.

Mr. HALLEY. Mangine is an old associate of yours from back here in Cleveland?

Mr. POLIZZI. That's right.

Mr. HALLEY. Had you been in some business with Mangine back here in Cleveland?

Mr. POLIZZI. I don't think so.

Mr. HALLEY. Never been associated with him in any business?

Mr. POLIZZI. I don't think so.

Mr. HALLEY. Did you know what business he had been in back here in Cleveland?

Mr. POLIZZI. Mostly the saloon business.

Mr. HALLEY. Mostly saloon?

Mr. POLIZZI. That's right.

Mr. HALLEY. And the gambling business?

Mr. POLIZZI. If he was, I didn't know anything about that.

Mr. HALLEY. Didn't you know his reputation at the time you went into the construction business with him?

Mr. POLIZZI. I did know.

The CHAIRMAN. I don't understand. You did know it?

Mr. POLIZZI. I did know; yes. Not I didn't. I did.

The CHAIRMAN. You did know that he had a reputation of being a gambler back in Cleveland?

Mr. POLIZZI. Not exactly a gambler.

The CHAIRMAN. Just what do you call not exactly a gambler?

Mr. POLIZZI. I guess there are many kinds of gamblers, Senator.

The CHAIRMAN. Just a little bit of a gambler.

Mr. POLIZZI. Well, you can gamble legitimately and you can gamble illegitimately as well.

The CHAIRMAN. Well, he had an interest in one of these places around here. You knew that.

Mr. POLIZZI. I will tell you truthfully I might have known, but I have known the gentleman——

The CHAIRMAN. The truth is you just didn't much care. I mean, you had an idea about it——

Mr. POLIZZI. Senator, do you think I had much choice with——

Mr. HALLEY. Let's get into that.

How much money did you take with you when you left Cleveland behind and went to Florida?

Mr. POLIZZI. I took quite a sum.

Mr. HALLEY. How much?

Mr. FULTON. I object to that. You can answer it if you wish, if you know.

The CHAIRMAN. Well, the Chair directs you to answer. I don't care whether you answer specifically. I mean, we want to know about how much you went to Florida with.

Mr. POLIZZI. In excess of \$100,000.

Mr. HALLEY. Shall we say in excess of \$200,000?

Mr. POLIZZI. Well, you can.

Mr. HALLEY. Would I be right?

Mr. POLIZZI. Yes.

Mr. HALLEY. Let's try \$300,000 for size.

Mr. POLIZZI. I believe you are still right.

Mr. HALLEY. I am still right?

Mr. POLIZZI. That's right.

Mr. HALLEY. Did you have a half million?

Mr. POLIZZI. No, not quite. We are getting close.

Mr. HALLEY. Getting warm?

Mr. POLIZZI. That's right.

Mr. HALLEY. Would you say between \$400,000 and a half million?

Mr. POLIZZI. Well, I really couldn't tell you. Now, if it came right down to how much I really have got, I really wouldn't know.

Mr. HALLEY. No. How much you had?

Mr. POLIZZI. When I went down there?

Mr. HALLEY. When you went to Florida.

Mr. POLIZZI. Just about the figure that you mentioned, say around approximately \$300,000.

Mr. HALLEY. \$300,000?

Mr. POLIZZI. That's right.

Mr. FULTON. Aren't for my benefit, are they?

Mr. HALLEY. I have a law partner named Fulton, and if you are one of the clan, I don't have to worry about you, your ability is there.

Mr. FULTON. Thank you, sir.

Mr. HALLEY. Mr. Polizzi, you say you had very little choice about your associates. Still you went to Florida with this money. Was it in cash?

Mr. POLIZZI. No, not all of it.

Mr. HALLEY. Was it liquid money?

Mr. POLIZZI. There was some liquid money, and the rest of it, of course, was property and bonds, and what do you have in that kind of money? You certainly wouldn't have cash.

Mr. HALLEY. At that time did you have real-estate holdings?

Mr. POLIZZI. Yes.

Mr. HALLEY. Where were they?

Mr. POLIZZI. I had some in Florida. I had some here.

Mr. HALLEY. What did you have in 1944?

Mr. POLIZZI. Well, I had lots, there was an apartment house, homes, and a number of assets.

Mr. HALLEY. What did you have in Florida, say, in 1944 before you moved your residence from Cleveland to Florida?

What assets?

Mr. POLIZZI. In Florida I had some lots.

Mr. HALLEY. Did you own them yourself or with partners?

Mr. POLIZZI. I owned them—I don't know as to dates—I know I owned a lot of property, but now I am just trying to figure out whether I owned it before or after.

I did own some down there before, that is for sure. Now, I am not quite sure when I acquired the rest of the property.

Mr. HALLEY. Well, we will make an allowance for a time lag, and assume that your memory wouldn't be perfect, but to your best recollection, what properties had you previously acquired in Florida before you moved your residence there?

Mr. POLIZZI. Well, I believe there was just some lots down there.

Mr. HALLEY. Did you own them alone or with partners?

Mr. POLIZZI. Partners.

Mr. HALLEY. Who were your partners?

Mr. POLIZZI. Mr. McBride was one of the partners.

Mr. HALLEY. McBride?

Mr. POLIZZI. Yes.

Mr. HALLEY. And who else?

Mr. POLIZZI. I think that Mr. King was another partner in it.

Mr. HALLEY. King?

Mr. POLIZZI. Yes.

Mr. HALLEY. You and King and McBride were in some lots together?

Mr. POLIZZI. That's right.

Mr. HALLEY. This isn't this real-estate development where you happened just to wander into a real-estate broker's office?

Mr. POLIZZI. No.

Mr. HALLEY. And by accident buy into some more property with McBride?

Mr. POLIZZI. No. It is not.

Mr. HALLEY. Let's get it straight. We are talking about Arthur B. McBride, Sr.

Mr. POLIZZI. That is correct.

Mr. HALLEY. When did you buy property in Florida with Mickey McBride?

Mr. POLIZZI. I believe that was in 1937.

Mr. HALLEY. 1937?

Mr. POLIZZI. Yes.

Mr. HALLEY. You held those lots right through to 1944?

Mr. POLIZZI. I believe so. 1944 or 1945. 1945, I think.

Mr. HALLEY. What other property did you have before you moved to Florida besides these lots?

Mr. POLIZZI. Well, now——

Mr. HALLEY. Did you own any property in Cleveland?

Mr. POLIZZI. Yes.

Mr. HALLEY. Just generally describe it.

Mr. POLIZZI. That property now—that property is my wife's, would that be mine?

Mr. HALLEY. Well, I will say you or your wife.

Mr. POLIZZI. All right.

Mr. FULTON. Then I object.

Mr. HALLEY. We will simplify the problem for you.

Mr. FULTON. I object to the question.

Mr. HALLEY. Mr. Chairman, there is an objection.

The CHAIRMAN. The property that your wife had, did it come from money you gave her?

Mr. POLIZZI. Yes.

The CHAIRMAN. All right. I direct him to answer. I think it is a family arrangement.

Mr. POLIZZI. I will answer the question.

Mr. HALLEY. What property, just generally?

Mr. POLIZZI. An apartment house on Eighty-third Street.

Mr. HALLEY. Anything else?

Mr. POLIZZI. Well, a home on Leighton Road.

Mr. HALLEY. Anything else?

Mr. POLIZZI. It might have been—I can't quite recollect. You get fuzzy sitting here.

Mr. HALLEY. Well, you started out fuzzy.

Mr. POLIZZI. I sure did.

Mr. HALLEY. Did your wife have any part in this apartment house?

Mr. POLIZZI. No.

Mr. HALLEY. In addition to these real properties, what liquid properties did you have?

What part of your \$300,000 that you took to Florida was in the form of liquid assets?

Mr. POLIZZI. Well, bonds, insurance.

Mr. HALLEY. Would you say in excess of \$200,000?

Mr. POLIZZI. In bonds and insurance?

Mr. HALLEY. And cash.

Mr. POLIZZI. And cash? About that.

Mr. HALLEY. About that?

Mr. POLIZZI. That is right.

Mr. HALLEY. You said some time ago that you had very little choice in choosing your associates.

Wouldn't you, with that much money and those assets, be able to buy real estate and go into ventures without any difficulty in choosing associates?

Mr. FULTON. I object to that because the question contains an unwarranted assumption.

The CHAIRMAN. All right. I think it is a very good question. Couldn't you get out on your own with that much money?

Mr. POLIZZI. Well, I have.

Mr. HALLEY. We are talking about your associates. What we are trying to find out—and I agree with the chairman that it is a good question—I would like to know why you had to continue your business activities with the people you say you were trying to get away from.

It seems to me all you changed was the location.

Mr. FULTON. That is a different question. Now answer that one.

Mr. HALLEY. That is another good one.

Mr. FULTON. The other one was bad. You departed from it.

Mr. POLIZZI. I don't know. What somebody else considers wrong, I might think it is right. Maybe I am—maybe there is something wrong with me. I didn't think I was doing anything wrong.

Mr. HALLEY. I am addressing myself to one statement you made about 10 minutes ago when you said you had very little choice in choosing your associates.

Mr. FULTON. I object. That is the reason I object. I think that is an assumption that is incorrect.

Mr. HALLEY. Oh, no. He so stated, and that is what I was trying to—

Mr. POLIZZI. I did say it. I said something like that.

Mr. HALLEY. That is why I asked him about his assets.

Mr. FULTON. Then I withdraw the objection.

Mr. POLIZZI. As I said before, as long as I thought I wasn't doing anything wrong, and that is my way of thinking, perhaps I am wrong, perhaps I am crazy, but if I am I would like to be straightened out—as long as I didn't do anything that was illegal in any way, shape, or form, and I had a legitimate business whereby it paid a profit on your investment, I thought it was good business.

Mr. HALLEY. That is a point that you are entitled to make, but it is not the answer to the question.

Mr. POLIZZI. Well, I don't know what else I could say to that.

Mr. HALLEY. You did have a free choice. You could have stayed away from your old Cleveland associates, isn't that a fact?

Mr. POLIZZI. Well, it wouldn't be like me to do that.

Mr. HALLEY. That is an answer. The purpose of the inquiry is to find out what you are like.

Now, let's get to this construction company.

Mr. POLIZZI. All right.

Mr. HALLEY. Your partners there, we have talked about Frank Milano, and there was Forrest Thompson?

Mr. POLIZZI. That's right.

Mr. HALLEY. How long have you known him?

Mr. POLIZZI. Not too long.

Mr. HALLEY. Well, how long?

Mr. POLIZZI. Maybe about 6 months before I went into business with him.

Mr. HALLEY. How did you meet him and under what circumstances?

Mr. POLIZZI. I met him through Mr. Mangine.

Mr. HALLEY. Mr. Mangine?

Mr. POLIZZI. That's right.

Mr. HALLEY. Where did you meet him?

Mr. POLIZZI. I met him here in Cleveland.

Mr. HALLEY. Is Thompson a Cleveland man?

Mr. POLIZZI. No; originally a Washington man.

Mr. HALLEY. Washington, D. C.?

Mr. POLIZZI. Yes.

Mr. HALLEY. And he came to Cleveland for the purpose of meeting you?

Mr. POLIZZI. No, no. He was working here in construction.

Mr. HALLEY. Have you had any previous business dealings with him?

Mr. POLIZZI. No; none whatever.

Mr. HALLEY. When you went into the construction business, how much money did you put into it?

Mr. POLIZZI. Well, we started off, I put in about \$25,000 to start off with and then as we went along I put in a little more to take care of the business as it came in.

Mr. HALLEY. How much money did Thompson put into it?

Mr. POLIZZI. He didn't have any money.

Mr. HALLEY. When you went into the business with Thompson, were you relying on his experience and qualifications?

Mr. POLIZZI. Yes; I was.

Mr. HALLEY. Did you check his background?

Mr. POLIZZI. I am sorry to say that I didn't. All I know that people told me he was a very fine gentleman.

Mr. HALLEY. Didn't you learn that he had two convictions?

Mr. POLIZZI. Mr. Thompson had two convictions?

Mr. HALLEY. Didn't he?

Mr. POLIZZI. I don't think so. Goodness.

Mr. HALLEY. You don't think he did?

Mr. POLIZZI. No.

Mr. HALLEY. You don't know whether he did or whether he didn't?

Mr. POLIZZI. I don't know whether he did or didn't. I am assuming that he did not.

The CHAIRMAN. Is that a picture of Mr. Thompson?

Mr. POLIZZI. No; this is not the gentleman.

Mr. HALLEY. That is not Thompson?

Mr. POLIZZI. No, sir.

The CHAIRMAN. Forrest L. Thompson?

Mr. POLIZZI. This is Forrest W. Thompson. This is not him.

Mr. HALLEY. And your Mr. Thompson had no convictions?

Mr. POLIZZI. Absolutely not.

Mr. HALLEY. That you know of?

Mr. POLIZZI. That I know of.

Mr. HALLEY. For the record, I want to say that, if that is not your friend, there is no conviction that we know of against your partner, and I think we should make that perfectly clear.

Mr. POLIZZI. I am pretty sure there isn't. I am not 100 percent sure, but I say I am 90 percent sure.

Mr. HALLEY. I am not any percent sure unless that is your man.

Mr. POLIZZI. Well, no; that definitely is not my associate.

Mr. HALLEY. Well, then——

Mr. POLIZZI. Not Thompson.

Mr. HALLEY. Then I have no right to ask the question.

Now, did you know the Licavoli family in Detroit?

Mr. POLIZZI. Yes.

Mr. HALLEY. How many brothers in the Licavoli family did you know?

Mr. POLIZZI. I believe I know all three of them.

Mr. HALLEY. How long have you known them?

Mr. POLIZZI. I know them quite a few years ago. I haven't seen him for years.

Mr. HALLEY. When did you last see any of the Licavolis?

Mr. POLIZZI. It has been years.

Mr. HALLEY. Did you know whether any of them ever worked for Thompson?

Mr. POLIZZI. Not that I know of.

The CHAIRMAN. In the interest of fairness, if the Forrest Thompson that we have here with a considerable record is not the man that is your partner, then I think I must strike from the record the reference to Forrest Thompson and ask that the press not carry it, at least, until we have further substantiated it, because if——

Mr. POLIZZI. Well, thank you. I am sure it will help.

The CHAIRMAN. If this man's associate isn't the man we have reference here to, I don't want any injustice done to him.

Mr. POLIZZI. It would be an injustice, Senator.

The CHAIRMAN. All right. We will determine later on just what the record shows.

I think we might say that we had a record here of Forrest Thompson which was quite substantial; but, if he is not the man you are in business with, we certainly don't want to do him an injustice. So, we will strike from the record, subject to further confirmation, any reference to the Forrest Thompson.

Mr. POLIZZI. Thank you.

Mr. HALLEY. When did you last see the Licavolis or any of them?

Mr. POLIZZI. It has been years.

Mr. HALLEY. Did you ever have any business transactions with any of them?

Mr. POLIZZI. None.

Mr. HALLEY. None whatsoever?

Mr. POLIZZI. That's right.

Mr. HALLEY. What other businesses do you have? I think you mentioned real-estate transactions with McBride; is that right?

Mr. POLIZZI. That's right. Well, by myself, too. I mean, I don't necessarily have to have——

Mr. HALLEY. Do you have any by yourself? Real-estate transactions?

Mr. POLIZZI. Yes.

Mr. HALLEY. In Florida?

Mr. POLIZZI. Yes.

Mr. HALLEY. And what are they?

Mr. POLIZZI. Well, I have got some lots down there. I started to develop them. I had this property that was purchased for my wife and Mr. King. I started to develop them there and build some houses

on speculation before I met Thompson, but a fellow by the name of Sparks, and you have the whole—you have the whole deal there; I turned that in. And I promoted, or, rather, I speculated with several of these homes. I think there was about seven altogether that I built when I first went down there. That is how I happened to get into the construction business.

Mr. HALLEY. Did you put that on the property that your wife owned with King?

Mr. POLIZZI. When I went to build on those lots, I bought that property from King and my wife, both, when I developed that property.

Mr. HALLEY. Then you owned it yourself solely; is that right?

Mr. POLIZZI. That's right. Of course, your wife becomes a partner to you in any transaction that you make.

Mr. HALLEY. But King went out of the transaction?

Mr. POLIZZI. King was out.

Mr. HALLEY. And so your sole continuing business with King was in the Sands Hotel?

Mr. POLIZZI. Yes.

Mr. HALLEY. No other businesses with King?

Mr. POLIZZI. I can't think of any.

Mr. HALLEY. Did you continue to have any other businesses with McBride?

Mr. POLIZZI. I bought some lots off of him; that's about all. I bought some lots from Mr. McBride to build an apartment house on, and I spent \$1,250 for plans, and this was on a 608 proposition, and when I went to—I was just about 10 hours too late; the appropriations had run out, and I was stuck with that property and the investment of the plans.

Mr. FULTON. May I interrupt to get one thing clear? Did you say you bought those lots with or from?

Mr. POLIZZI. I bought them from.

Mr. FULTON. McBride? All right.

Mr. POLIZZI. McBride.

Mr. HALLEY. You also own some lots with McBride?

Mr. POLIZZI. I do now.

Mr. HALLEY. And you did before you went to Florida also?

Mr. POLIZZI. And I did before.

Mr. HALLEY. And you went into this one real-estate development with McBride?

Mr. POLIZZI. He didn't have any part of the development whatsoever. We sold those particular lots; namely, H. & I. Holding Co.

Mr. HALLEY. Yes.

Mr. POLIZZI. The H. & I. Holding Co., the University Estates or Shriner Golf Course, so they call it.

Mr. HALLEY. Yes.

Mr. POLIZZI. Well, those lots are being held in a holding company and they are being sold and they were sold, to begin with, and the contractor defaulted on these lots and they were returned to us, and those lots are still in the holding company, and we are selling them off just as fast as we can.

Mr. HALLEY. Then, in addition to John Angersola, Mangine, and McBride, have you any business dealings at the present time with any others of your former Cleveland associates?

Mr. POLIZZI. No; I don't think so.

Mr. HALLEY. Have you, since you moved your residence to Florida, seen any of your former associates, specially; I presume you see John Angersola?

Mr. POLIZZI. Yes; I do.

Mr. HALLEY. Do you from time to time see George Angersola?

Mr. POLIZZI. Once in a while.

Mr. HALLEY. Morris Kleinman?

Mr. POLIZZI. I haven't seen him in some time.

Mr. HALLEY. When did you last see him?

Mr. POLIZZI. It must have been at least a year, anyway.

Mr. HALLEY. About a year ago?

Mr. POLIZZI. At least.

Mr. HALLEY. Lou Rothkopf?

Mr. POLIZZI. I see him once in a while.

Mr. HALLEY. Tony Milano?

Mr. POLIZZI. Only—well, I saw him recently.

Mr. NELLIS. Were you at his son's wedding?

Mr. POLIZZI. Yes.

Mr. HALLEY. Where did you see him recently?

Mr. POLIZZI. I think I saw him at his place of business.

Mr. HALLEY. Joe Di Carlo?

Mr. POLIZZI. I know him.

Mr. HALLEY. Do you see him?

Mr. POLIZZI. No; I don't.

Mr. HALLEY. Did he ever visit you at your home in Florida?

Mr. POLIZZI. No.

Mr. HALLEY. When did you last see Joe Di Carlo?

Mr. POLIZZI. I haven't seen Di Carlo in some time. I don't know; it is years I haven't seen him.

Mr. HALLEY. Would it be a fact, then, that the ones of the former associates you still see are Tony Milano—

Mr. POLIZZI. Not very often. I would say King more so than anybody else.

Mr. HALLEY. King more than anyone?

Mr. POLIZZI. Yes.

Mr. HALLEY. Do you see Mickey McBride from time to time?

Mr. POLIZZI. Yes.

Mr. HALLEY. And Milano sometime?

Mr. POLIZZI. I see him, Milano, once in a while. I don't see—he doesn't come to Florida, and I don't get up here; and when I do, why, I may see him when I come up here and I may not see him. If I have a chance to, I might call him and say "Hello" to him.

Mr. HALLEY. Do you see Doc Magine?

Mr. POLIZZI. Yes.

Mr. HALLEY. Do you see Chuck Polizzi, your cousin?

Mr. POLIZZI. Once in a while.

Mr. HALLEY. Do you know Abe Zwillman?

Mr. POLIZZI. I know him.

Mr. HALLEY. Did you ever meet him?

Mr. POLIZZI. I believe I have.

Mr. HALLEY. Do you ever see him in Florida?

Mr. POLIZZI. Yes; I think so. I think that's where I met him.

Mr. HALLEY. Who introduced you to Zwillman?

Mr. POLIZZI. I don't remember.

Mr. HALLEY. How long ago?

Mr. POLIZZI. I couldn't tell you.

Mr. HALLEY. Where did you meet the Fischettis? Down in Florida?

Mr. POLIZZI. Yes.

Mr. HALLEY. How recently?

Mr. POLIZZI. Oh, since I have been there.

Mr. HALLEY. Since you have been there?

Mr. POLIZZI. Yes.

Mr. HALLEY. Did you know their reputation?

Mr. POLIZZI. Yes; more or less.

Mr. HALLEY. Did you make any effort to avoid meeting people of that background after you went to Florida?

Mr. POLIZZI. Yes; I don't associate with them.

Mr. HALLEY. You don't associate with them?

Mr. POLIZZI. No; I don't.

Mr. HALLEY. But you do see them from time to time?

Mr. POLIZZI. I don't purposely see them.

Mr. HALLEY. But you bump into them?

Mr. POLIZZI. If you run into them, of course, that's different.

Mr. HALLEY. Have you ever been out with them socially?

Mr. POLIZZI. No; I have not.

Mr. HALLEY. Do you ever go to their homes or they to yours?

Mr. POLIZZI. Never been to my home, and I haven't been to their home.

Mr. HALLEY. Ever been fishing together or——

Mr. POLIZZI (shaking head negatively).

Mr. HALLEY. What would you say about Tony Accardo? Do you know him?

Mr. POLIZZI. Yes; I met him. I never associated with him or had any business with him.

Mr. HALLEY. Where have you met him?

Mr. POLIZZI. I met him on the beach.

Mr. HALLEY. Do you know Tony Gizzo of Kansas City?

Mr. POLIZZI. No; I don't.

Mr. HALLEY. Did you ever meet him?

Mr. POLIZZI. No; I don't believe so.

Mr. HALLEY. Do you know a Philip Mangano of New York, Brooklyn?

Mr. POLIZZI. Who?

Mr. HALLEY. Philip Mangano.

Mr. POLIZZI. No.

Mr. HALLEY. Or Vincent Mangano?

Mr. POLIZZI. I know Vincent. I have met him.

Mr. HALLEY. Where did you meet Vincent Mangano?

Mr. POLIZZI. I believe I have met him on the beach. I don't associate with him, and I don't have any business with him.

Mr. HALLEY. Who introduced you to him?

Mr. POLIZZI. I really don't know.

Mr. HALLEY. Do you know Joseph Profaci?

Mr. POLIZZI. No; I don't.

Mr. HALLEY. You do not?

Mr. POLIZZI. No.

Mr. HALLEY. When you were in the olive-oil business—you were in the olive-oil business?

Mr. POLIZZI. That's right.

Mr. HALLEY. That was with——

Mr. POLIZZI. With Mr. Frank Milano.

Mr. HALLEY. With Frank Milano?

Mr. POLIZZI. That's right.

Mr. HALLEY. Did you ever have any dealings with Joe Profaci in the olive-oil business?

Mr. POLIZZI. No.

Mr. HALLEY. Do you know who he is?

Mr. POLIZZI. I have read about him.

Mr. HALLEY. He is the leader in the olive-oil business, is he not?

Mr. POLIZZI. I don't know whether he is a leader in the olive-oil business. I know he handled olive oil.

Mr. HALLEY. Well, he has the Mama Mia Co., does he not?

Mr. POLIZZI. That is right.

Mr. HALLEY. That is a very important factor in the business, isn't it?

Mr. POLIZZI. I believe so. I believe he handles some oil, but as to what line he handles, I don't know.

Mr. HALLEY. Did you ever have any dealings with him in the olive-oil business?

Mr. POLIZZI. No.

Mr. HALLEY. Did you know or do you know Joe Adonis?

Mr. POLIZZI. No.

Mr. HALLEY. Did you know Nick Delmore?

Mr. POLIZZI. I might have met Nick. I wouldn't say I know him.

Mr. HALLEY. Where did you meet him?

Mr. POLIZZI. If I met him anywhere, I met him in Florida. I couldn't very well have met him anywhere else.

Mr. NELLIS. Did you meet these people at the Sands Hotel?

Mr. POLIZZI. No.

Mr. NELLIS. Not at the Sands?

Mr. POLIZZI. No.

Mr. HALLEY. Do you know William H. Johnston, the man who runs the dog track in Florida?

Mr. POLIZZI. No, I do not. I have read about him, but that is all.

Mr. HALLEY. You have never met him?

Mr. POLIZZI. I don't think so.

Mr. HALLEY. Do you attend the dog races?

Mr. POLIZZI. No; I don't even attend the horse races.

Mr. HALLEY. Do you know Little Angie Pisano?

Mr. POLIZZI. I have met him, too. I don't have anything to do with him in business or association.

Mr. HALLEY. Under what circumstances do you happen to meet so many of these people that you have been trying to avoid?

Mr. FULTON. I object to that question, because it contains an unwarranted assumption, "trying to avoid."

Mr. HALLEY. He so testified that he wanted to avoid them.

Mr. FULTON. I thought it was the other way around.

Mr. POLIZZI. I am not trying to avoid anybody. How can you avoid anybody, if you see them on the street? I meant I didn't go out of my way to go to see them.

Mr. HALLEY. Well, who introduces you to these people?

Mr. POLIZZI. Can you tell how many people you have met and how they were introduced to you? I can't remember that; I am sorry.

Mr. FULTON. These gentlemen ask the questions and you answer them.

Mr. POLIZZI. I am sorry, I mean to do that.

Mr. HALLEY. Good advice, counsel.

Well, under what circumstances do you happen to meet people who are reputed to be, as these people are, gangsters?

Mr. FULTON. I object to this question, with the word "gangster" in it.

Mr. HALLEY. Well, you know that they have the reputation of being gangsters, do you not?

Mr. POLIZZI. I don't know.

Mr. HALLEY. You do not know that?

Mr. POLIZZI. How would I know that?

Mr. HALLEY. Well, don't you know that Tony Accardo is reputed to be a gangster?

Mr. POLIZZI. That is what has been coming out in the papers in the last few weeks.

Mr. HALLEY. Oh, Mr. Polizzi, you have known his reputation, haven't you, Tony Accardo?

Mr. POLIZZI. Well, you get inklings, but I don't know for sure what the man does do and doesn't do. I don't know his business.

Mr. HALLEY. But you knew his reputation was that of a gangster?

Mr. POLIZZI. I don't associate with this—whoever he is. I don't associate with him. I don't have anything to do with him.

And as far as—I mean, I don't go out of my way to meet these people.

Mr. HALLEY. But you were familiar with his reputation, weren't you?

Mr. POLIZZI. Well, I guess more or less anyone would probably know. He has been in the papers many times.

Mr. HALLEY. And you knew——

Mr. POLIZZI. Well, what could you do? What could I do about it?

Mr. HALLEY. Well, perhaps you could do nothing, but I would like to get some explanation, so I will understand how you happened, after you went to Florida, to meet all these gentlemen.

Mr. POLIZZI. Well, I guess they must be in Florida, otherwise I wouldn't meet them. Florida is not as big as New York or Cleveland.

Mr. HALLEY. You think it is just coincidence that you met all these people after you went to Florida?

Mr. POLIZZI. Oh, that is for sure.

Mr. HALLEY. Well, did you make a practice of associating with——

Mr. POLIZZI. I have never associated with them.

Mr. HALLEY. With people of that type?

Mr. POLIZZI. I have never associated with people of that type.

Mr. HALLEY. Well, where, for instance, did you meet Charlie Fischetti in Florida?

Mr. POLIZZI. I know I met him, but I just can't think just where I met him.

How in the devil could I remember where I met them?

Mr. FULTON. I would like to have just one thing, that last answer, corrected.

He said he never—somebody reading that might misinterpret that—that he never associated with people of that character.

Do you mean never, or never since a given time? Are you talking about Florida or always?

Mr. POLIZZI. Since I have been to Florida I haven't associated with anyone but King.

Mr. HALLEY. Are you related to the Angersolas?

Mr. POLIZZI. No.

Mr. HALLEY. Are you related to the Licavolis?

Mr. POLIZZI. No.

Mr. HALLEY. Was any of the Licavolis best man at your wedding?

Mr. POLIZZI. Yes.

Mr. HALLEY. Which one?

Mr. POLIZZI. Pete. That is right.

Mr. HALLEY. And was he at that time a pretty good friend of yours?

Mr. POLIZZI. Yes, he was.

Mr. HALLEY. That was some years ago, of course?

Mr. POLIZZI. That is right, that is many years ago.

Mr. HALLEY. And when did you last see Pete Licavoli?

Mr. POLIZZI. It has been years. At least a couple years.

Mr. HALLEY. Well, how many?

Mr. POLIZZI. At least 2 years.

Mr. HALLEY. At least 2 years?

Mr. POLIZZI. Yes.

Mr. HALLEY. Where and when did you last see him?

Mr. POLIZZI. I believe the last time I saw Pete was up in Tucson. I was going to California with my wife, and we stopped on our way over.

Mr. HALLEY. You stopped at his ranch?

Mr. POLIZZI. Yes.

Mr. HALLEY. How long did you stay at Pete Licavoli's ranch in Tucson?

Mr. POLIZZI. Well, we left there immediately.

Mr. HALLEY. How long were you there?

Mr. POLIZZI. I don't think we were there overnight. Now, I may have that a little bit wrong, too. It might have been on my way back that we stopped. However, we stopped there, I believe, overnight.

Mr. HALLEY. At Pete Licavoli's ranch?

Mr. POLIZZI. Yes, I believe so.

Mr. HALLEY. And that was about 2 years ago?

Mr. POLIZZI. That is right.

Mr. HALLEY. Did you go to California by automobile?

Mr. POLIZZI. Yes.

Mr. HALLEY. How long were you in California?

Mr. POLIZZI. I went there to visit my sister, and I stayed there about 2 weeks.

Mr. HALLEY. Was it a pleasure trip?

Mr. POLIZZI. A pleasure trip.

Mr. HALLEY. While you were there, did you visit Las Vegas?

Mr. POLIZZI. Yes I did.

Mr. HALLEY. How long did you stay in Las Vegas?

Mr. POLIZZI. Just overnight.

Mr. HALLEY. And where did you stay?

Mr. POLIZZI. I stayed at one of the motels, and I forget even the name of the motel. I paid, I think, something like \$6 for a room.

Mr. HALLEY. You didn't, by any chance, go out on a week end?

Mr. POLIZZI. I don't know whether it was a week end or not. I don't remember.

Mr. HALLEY. Was it one of these motels along the so-called "Strip"?

Mr. POLIZZI. It was more or less out of the city.

Mr. HALLEY. Out where all these gambling houses are, in that direction, on the road toward Los Angeles?

Mr. POLIZZI. On the road toward Los Angeles.

Mr. HALLEY. Well, they are all pretty fancy motels, aren't they?

Mr. POLIZZI. Not for \$6 a night.

Mr. HALLEY. Well, you get a very nice hotel room in Las Vegas for \$6 a night.

Mr. POLIZZI. I don't know.

Mr. HALLEY. At any of these gambling joints.

Mr. POLIZZI. I wasn't at a gambling joint.

Mr. HALLEY. At any event, you were there overnight?

Mr. POLIZZI. That is right.

Mr. HALLEY. And did you see anybody there whom you had known in Cleveland?

Mr. POLIZZI. No.

Mr. HALLEY. Nobody at all?

Mr. POLIZZI. Nobody.

Mr. HALLEY. You were just sightseeing?

Mr. POLIZZI. That is right.

Mr. HALLEY. Now, in California where did you stay? In what city?

Mr. POLIZZI. I stayed with my sister.

Mr. HALLEY. In what city?

Mr. POLIZZI. It is a suburb of Los Angeles.

Mr. HALLEY. Well, that will be a good enough answer. In one of the suburbs of Los Angeles.

Mr. POLIZZI. Yes. I can't quite remember.

Mr. HALLEY. Did you take a trip to San Francisco at all?

Mr. POLIZZI. A long time ago.

Mr. HALLEY. Did you take any on this last automobile trip?

Mr. POLIZZI. No.

Mr. HALLEY. You just stayed in Los Angeles?

Mr. POLIZZI. That is right.

Mr. HALLEY. While you were there, did you meet Jack Dragna?

Mr. POLIZZI. I can't say whether I did or didn't. Most of the time I was at my sister's. I didn't go any place.

Mr. HALLEY. Well, Jack Dragna would be a person you would certainly remember, one way or the other.

Mr. POLIZZI. But I don't even know him that well.

Mr. HALLEY. Well, do you know him at all?

Mr. POLIZZI. I don't know whether I know him or don't know him. I say I might have met him, but I wouldn't go out of my way—I don't know whether he would recognize me, or whether he would know me, or I don't know what. I mean, if you are not close to people, you don't recall them.

Mr. HALLEY. Have you ever been in Tia Juana, Mexico?

Mr. POLIZZI. No.

Mr. HALLEY. I don't see how Jack Dragna could have possibly met you and you not remember it one way or the other.

Mr. POLIZZI. Well, I am telling you. I don't know whether I have or not.

Mr. HALLEY. Do you have the same reply with response to Rosselli?

Mr. POLIZZI. Yes. I don't know whether I met him.

Mr. HALLEY. You might remember he was one of the group that was convicted in the movie extortion case.

Mr. POLIZZI. Yes; I remember reading about him.

Mr. HALLEY. You don't know whether you met him or not?

Mr. POLIZZI. I really don't know.

Mr. HALLEY. Did you meet Momo Adamo?

Mr. POLIZZI. No; I don't recall that name. No; I don't think so.

Mr. HALLEY. Did you meet Mickey Cohen?

Mr. POLIZZI. I don't know whether I did or not.

Mr. HALLEY. Well, how can you not know whether you met a man who is that infamous? How could it elude you?

Mr. POLIZZI. Well, they are just names. I don't know. You read about these people and—I don't know whether I have met them or not. I might have met them. There is a lot of people. Just the other day somebody came up to me right here in this building, and he said, "Do you remember me?"

And I said, "Well, you look very familiar." And it happened to be somebody that works right here. I didn't even know him.

Mr. FULTON. Mr. Steele?

Mr. HALLEY. Did you know Mickey Cohen when he left Cleveland?

Mr. POLIZZI. No; I didn't. Did I know Mickey Cohen when he was here?

Mr. HALLEY. Yes.

Mr. POLIZZI. No.

Mr. HALLEY. And you actually want me to believe that you don't remember whether or not you met Cohen, Rosselli, or Dragna, just 2 years ago?

Mr. POLIZZI. I don't know whether I did or didn't. I say I don't know; I don't remember. However, I have never had anything to do with him, and I have never associated with him. That is my answer. I don't know how else I would put it.

Mr. HALLEY. Whether you met them or not——

Mr. POLIZZI. I don't know. I am trying to put it the best way I know how.

Mr. HALLEY. Are you trying to tell us you didn't meet them?

Mr. POLIZZI. I am trying to say that I don't know whether I did or didn't.

Mr. HALLEY. Well, it will just have to stand that way.

Now, I would like to go back into what you did before 1945, but there is no point in cluttering up the record.

Mr. FULTON. And I want to say on that——

Mr. HALLEY. Do you advise him to refuse to testify about all of his activities before 1945?

Mr. FULTON. Yes, including 1944. And I will take much of the responsibility for it, and I want to say moreover and want to say as

emphatically as I can, there will be no objection raised to any technical basis upon which any later contempt charges for refusal to answer will be predicated, I assure you.

In other words, if the intent is to do that, I won't be coming back saying it wasn't properly done in the record.

Mr. HALLEY. Well, perhaps we can clarify the matter. I presume that the reason is that things that happened before 1944 concerned illegal activities; is that correct?

Mr. FULTON. To whom do you address that?

Mr. HALLEY. The witness.

Mr. FULTON. You were looking at me.

Mr. HALLEY. You are prettier. That is why. [Laughter.]

The CHAIRMAN. Well, is that the situation, that you won't testify about anything prior to 1945, and the reason is because some illegal activities were involved that you refuse to tell about? Is that correct or not?

Mr. POLIZZI. I think that is correct.

The CHAIRMAN. Sir?

Mr. POLIZZI. I think that is correct.

Mr. FULTON. And counsel's reason is that those activities, whatever they were, were purely local, and can't bear on crime in interstate commerce. Now, I know this doesn't fall within that privilege statute—and will affect his standing and position henceforth, and I am familiar with section 193, I guess it is, or 192, title II.

Mr. HALLEY. Of course, you understand one of the main purposes of this inquiry is to find out the extent to which people with known organized interstate criminal records have gone underground into so-called legitimate businesses, but continue to associate with each other, and affect present-day illegal as well as present-day legal business activities.

Mr. FULTON. I do so understand that.

Mr. HALLEY. And with that in mind, and I do address this question to you, Mr. Fulton—don't you think that it is absolutely pertinent that your witness should answer these questions?

Mr. FULTON. I will answer that very frankly. Sitting here where I am, representing him, no.

Second, my reason as a lawyer is that if the activities were wrong, if they were local and remote in time, they can have no bearing on the facts that may aid our representatives in Congress to enact legislation tending to prohibit crime in interstate commerce.

The first part of my answer I meant, too, I probably would think differently if I were over there.

The CHAIRMAN. All right. We have got your answer. Let's get on.

Mr. HALLEY. Now, Mr. Polizzi, did you ever engage in any criminal transactions prior to 1944?

Mr. FULTON. Objection.

Mr. POLIZZI. Criminal—

Mr. HALLEY. Criminal.

Mr. FULTON. That is prior to 1944?

Mr. HALLEY. Yes.

Mr. FULTON. Objection. That is back. Consistency would require you to refuse to answer that.

The CHAIRMAN. All right. The question is, Did you engage in criminal activities prior to 1944?

Mr. FULTON. Don't answer it.

Mr. POLIZZI. No.

The CHAIRMAN. Now, wait a minute. What did you say?

Mr. POLIZZI. I didn't quite get the question.

The CHAIRMAN. Did you engage in any criminal activities prior to 1944?

Mr. POLIZZI. I refuse to answer.

The CHAIRMAN. The chairman directs you, then, sir. Do you refuse?

Mr. POLIZZI. I refuse.

The CHAIRMAN. All right.

Mr. HALLEY. During the prohibition era, were you engaged in the illicit liquor business?

Mr. FULTON. Objection.

Mr. POLIZZI. I refuse to answer.

The CHAIRMAN. The Chair directs you to answer.

Mr. POLIZZI. I refuse to answer, sir.

Mr. HALLEY. Were you not convicted of a violation of the National Prohibition Act, in the year 1926?

Mr. FULTON. Objection. Refuse to answer.

Mr. POLIZZI. Didn't I answer that once before?

Mr. HALLEY. Yes.

Mr. FULTON. Well, you did, but answer it again—or I mean, refuse again.

The CHAIRMAN. All right. You refuse to answer as to whether you were convicted or not?

Mr. FULTON. Oh, the question is convicted? That's all right.

Mr. POLIZZI. I answered the question before, the same question.

The CHAIRMAN. Well, what was your answer? Answer it again.

Mr. POLIZZI. Well, I was convicted.

Mr. HALLEY. Now, after your conviction in 1926, did you continue or did you not continue in the liquor business?

Mr. POLIZZI. I refuse to answer.

The CHAIRMAN. The Chair directs you to answer.

Mr. POLIZZI. I refuse to answer, sir.

Mr. HALLEY. Were you ever in the liquor business with Frank Milano?

Mr. POLIZZI. I refuse to answer.

Mr. HALLEY. Were you ever in any business with Pete Licavoli?

Mr. FULTON. Now, the word "ever" is in that question.

Mr. HALLEY. Yes.

Mr. POLIZZI. I refuse to answer.

The CHAIRMAN. Well now, let the record show that the Chair has directed you to answer these last two questions. That is understood.

Mr. FULTON. That is understood.

Mr. POLIZZI. That is just for the record.

Mr. HALLEY. Were you between the years 1928 and 1944, in business with Pete Licavoli?

Mr. POLIZZI. I refuse to answer that, too.

Mr. HALLEY. Were you ever, prior to 1944, in business with John Angersola, whom you have referred to as John King?

Mr. POLIZZI. I believe I answered that before.

MR. HALLEY. And what is the answer?

MR. POLIZZI. Well, in view of the—of my objections here with reference to the questioning prior to 1944, I believe I made a statement—

MR. FULTON. The question is a little different, now. Read the question, please.

THE CHAIRMAN. Mr. Reporter, will you read the question?

(Question read.)

THE CHAIRMAN. Now, you were or were not?

MR. POLIZZI. In business with John Angersola, yes.

MR. HALLEY. And in what business were you with John Angersola?

MR. FULTON. Objection to that.

MR. POLIZZI. I object to that.

THE CHAIRMAN. You refuse to answer?

MR. FULTON. There goes my fee.

THE CHAIRMAN. You object and you refuse to answer.

All right. The Chair directs you to answer.

And you refuse?

MR. POLIZZI. That is right.

MR. HALLEY. Now, I think you testified—I am sure you did, some time back, that your reason for the refusals to go into what happened prior to 1944 is that you are ashamed of what happened prior to 1944?

MR. POLIZZI. I am.

MR. HALLEY. I think, Mr. Chairman, we have got sufficient record for any action to committee wants to take, and at this point I will discontinue questioning.

THE CHAIRMAN. Any other questions?

MR. NELLIS. One more question, Mr. Chairman. Did you have a house on Leighton Road here in the city?

MR. POLIZZI. Yes.

MR. NELLIS. Do you still have that home?

MR. POLIZZI. No.

MR. NELLIS. When did you sell it?

MR. POLIZZI. You have the record there. I think I gave them to you.

MR. NELLIS. Well, approximately when? A year, 2 years?

MR. POLIZZI. Just a few years ago.

MR. NELLIS. A few years ago.

Did you have a basement in that house? Was it a house with a basement?

MR. POLIZZI. Yes.

MR. NELLIS. What did you have down in the basement, Mr. Polizzi?

MR. POLIZZI. What did I have in the basement?

MR. NELLIS. Did you have a recreation room down there, or some kind of a nice set-up?

MR. POLIZZI. Yes.

MR. NELLIS. Did you have a gun collection there?

MR. POLIZZI. I still have.

MR. NELLIS. Tell us about that. What does it consist of?

MR. POLIZZI. It consists of shotguns, rifles.

MR. NELLIS. How many shotguns?

MR. POLIZZI. Well, I have got a 12-gage shotgun, and I have got—that is one automatic and one pump. And I have got a .300 Magnum, I have got a .300 Savage, and I have got, I believe, a .22, and—

MR. NELLIS. Any sawed-off machine guns down there?

MR. POLIZZI. Oh, no. And a .30-06 Remington.

Mr. NELLIS. Any other kinds of rifles?

Mr. POLIZZI. I believe that is the extent of it.

Mr. NELLIS. Any pistols?

Mr. POLIZZI. I have a pistol for my home, of my own; yes.

Mr. NELLIS. Well, that is not part of your collection?

Mr. POLIZZI. No; that is for my home.

Mr. NELLIS. How long have you had this collection?

Mr. POLIZZI. A good many years.

Mr. NELLIS. Twenty, thirty years?

Mr. POLIZZI. Well, you accumulate them. You don't—I never bought them all together. I bought them at various times.

Mr. NELLIS. Where did you get them?

Mr. POLIZZI. Well, I bought my first shotgun, I bought it at a hardware store for the purpose of hunting.

Mr. NELLIS. When was that?

Mr. POLIZZI. That is many years ago.

Mr. NELLIS. When you were in Cleveland?

Mr. POLIZZI. Yes.

Mr. NELLIS. And after that, you went out and bought more for this purpose?

Mr. POLIZZI. Well, I wanted to go deer hunting, so I had to buy a rifle. So I bought a .300 Savage. That is what you would use for deer.

Mr. NELLIS. I have no further questions, Mr. Chairman, at this time.

Did you own the yacht *Wood Duck* at one time?

Mr. POLIZZI. I still own it.

Mr. NELLIS. You still have it?

Mr. POLIZZI. Yes.

Mr. NELLIS. When did you acquire it?

Mr. POLIZZI. I acquired it in, I believe, the early part of 1946. You have the documented record right there.

Mr. FULTON. I shall object to any more questions about that, but only because that first answer showing the date of his purchase makes it clear that that can't be pertinent to anything here.

The CHAIRMAN. All right. The objection is overruled. I don't know the purpose of asking about the *Wood Duck*, but it is an allegation that some of these fellows were trying to avoid some process by getting out on the *Wood Duck*.

Mr. NELLIS. Who did you buy it from?

Mr. POLIZZI. I bought it from Mrs. Amy King.

Mr. NELLIS. She is John King's wife?

Mr. POLIZZI. That is right.

Mr. NELLIS. John Angersola's wife?

Mr. POLIZZI. That's right.

Mr. NELLIS. And do you know where she got it?

Mr. POLIZZI. I don't know where she got it.

Mr. NELLIS. Did you hear Mr. McBride's testimony the other day?

Mr. POLIZZI. No, but—

Mr. NELLIS. He sold it to Fred King, who sold it to Amy King, who sold it to you.

Mr. POLIZZI. No; wait a minute.

Mr. NELLIS. Well, tell us the facts, Mr. Polizzi.

Mr. POLIZZI. All I know is that I purchased the yacht *Wood Duck* from Mrs. Amy King.

Mr. NELLIS. How much did you pay for it?

Mr. POLIZZI. \$5,000. That boat was built in 1936, and if you know boats, it is quite old.

Mr. NELLIS. Were you on it in about 1939?

Mr. POLIZZI. I might have been.

Mr. NELLIS. Were you on it with George and John Angersola at about that time?

Mr. POLIZZI. George Angersola, you couldn't get him out on a boat if you stood on your ear.

Mr. NELLIS. Did you take a trip from Cleveland through the lake and then down the Inland Waterway about that time?

Mr. POLIZZI. Never did.

Mr. NELLIS. With George and John Angersola?

Mr. POLIZZI. No, sir.

Mr. NELLIS. You don't know anything about that?

Mr. POLIZZI. I don't know anything about that.

Mr. NELLIS. No further questions.

Mr. HALLEY. Just one thing. Were you ever connected with the Richmond Country Club?

Mr. POLIZZI. No.

Mr. HALLEY. Did you ever have any transactions involving the Richmond Country Club?

Mr. POLIZZI. No.

Mr. HALLEY. Were you ever in it?

Mr. POLIZZI. Yes.

Mr. HALLEY. It was a gambling place, was it not?

Mr. POLIZZI. I don't know.

Mr. HALLEY. Did you ever see gambling there?

Mr. POLIZZI. Not that I know of.

Mr. HALLEY. Do you know whether Tony Milano owned it?

Mr. POLIZZI. That I couldn't tell you. I don't know whether it was a club or whether it was a privately owned—I don't know.

Mr. NELLIS. Did you have a membership in it, Mr. Polizzi?

Mr. POLIZZI. No.

Mr. HALLEY. Did you ever see Tony Milano there?

Mr. POLIZZI. I think I have.

Mr. HALLEY. Did you ever see John Angersola there?

Mr. POLIZZI. I couldn't say whether I did or not. I am not sure.

Mr. HALLEY. Under what circumstances did you go there?

Mr. POLIZZI. For dinner.

Mr. HALLEY. With whom.

Mr. POLIZZI. My family.

Mr. HALLEY. Were you a member of the club?

Mr. POLIZZI. I don't know, now. I don't think so.

Mr. HALLEY. Did you go as the guest of somebody?

Mr. POLIZZI. I might have been a guest of somebody. I can't—

Mr. HALLEY. Were you ever there as a guest of Tony Milano?

Mr. POLIZZI. Yes.

Mr. HALLEY. Thank you.

The CHAIRMAN. Mr. Polizzi, the truth of the matter is that the Sands Hotel is sort of a hang-out for the fellows who come down from Cleveland and Philadelphia to Miami Beach; isn't it?

Mr. FULTON. I respectfully object to that question.

The CHAIRMAN. Well, all right. I asked the question anyway. We have had some testimony on that. That is, most of the fellows from Philadelphia and Cleveland, that at least have names that are well known, usually stay at the Sands Hotel; isn't that true? Nick Rosen, Weisburg, from Philadelphia?

Mr. POLIZZI. Well, Senator, that's a public place and, of course—

The CHAIRMAN. I mean, it just so happens that way. Of course, they have a right to stay there when they can get in.

Mr. POLIZZI. The rest of the hotels—was there a check to see how many more were registered in other hotels?

The CHAIRMAN. And the Wofford Hotel is sort of a hang-out for the New York group, isn't it?

Mr. POLIZZI. I don't know. I don't know that at all. I don't have anything to do with the Wofford Hotel. I wouldn't know that.

The CHAIRMAN. I know, but it is generally known as to which of these two hotels the different groups stayed at.

Mr. POLIZZI. Senator, as far as the hotel is concerned, I don't know who registered in the hotel and who does not register in the hotel.

The CHAIRMAN. You are there a good deal, aren't you, at the hotel?

Mr. POLIZZI. I don't go over the guest list.

The CHAIRMAN. I know, but you come around to see who is there and you know the people.

Mr. POLIZZI. Well, I wouldn't say that.

The CHAIRMAN. Do the Fischettis stay at the Sands Hotel?

Mr. POLIZZI. Now, I have never seen them there, no.

The CHAIRMAN. Where was it you met Mr. Charles Fischetti?

Mr. POLIZZI. I don't know. I met him in Miami somewhere.

The CHAIRMAN. You just met him, you don't remember where?

Mr. POLIZZI. That's right.

The CHAIRMAN. I wanted to be sure that I had the things here that you would not testify about. Were you asked whether you were in business with Morris A. Haas and you refused to testify?

Mr. POLIZZI. I was asked that question.

The CHAIRMAN. Did you refuse to testify about that?

Mr. POLIZZI. Yes.

The CHAIRMAN. You won't tell the kind of business that you were in?

Mr. FULTON. I think he answered he was in business.

Am I right about that?

The CHAIRMAN. Yes; but you refused to say what kind of business you were in.

Mr. POLIZZI. Yes; I believe so. I don't know.

The CHAIRMAN. You understand you are being directed to tell what kind of business you were in with Morris A. Haas?

Mr. POLIZZI. Yes.

The CHAIRMAN. Before 1944 you have been asked whether you were in business with John Angersola or King. You refused to say. Now, Vincent Mangine, is he your partner or one of your partners in Coral Gables?

Mr. POLIZZI. He is associated.

The CHAIRMAN. He is associated?

Mr. POLIZZI. He has stock in the Thompson-Polizzi Construction Co.

The CHAIRMAN. You knew him up here in Cleveland?

Mr. POLIZZI. Yes; I did. I still know him.

The CHAIRMAN. Were you in business with him in Cleveland?

Mr. POLIZZI. I don't think so.

The CHAIRMAN. Vincent M-a-n-g-i-n-e?

Mr. POLIZZI. M-a-n-g-i-n-e.

The CHAIRMAN. How does he spell his name? Is that the way he spells it?

Mr. POLIZZI. Mangine, M-a-n-g-i-n-e.

The CHAIRMAN. Think hard. Were you in business with him in Cleveland?

Mr. POLIZZI. I don't believe I was, Senator.

The CHAIRMAN. You ought to be able to remember whether you were or not.

Mr. POLIZZI. Well, goodness, I don't know. I don't—I don't think I was.

The CHAIRMAN. What did he do up here?

Mr. POLIZZI. What did Mangine do?

The CHAIRMAN. Yes.

Mr. POLIZZI. All I know, he had a saloon.

The CHAIRMAN. You weren't in any business with him up here?

Mr. POLIZZI. I don't think so.

The CHAIRMAN. You said one time you were in business with Charles Polizzi up here.

Mr. POLIZZI. I said I was in business with him.

The CHAIRMAN. But you wouldn't tell what sort of business.

Mr. POLIZZI. That's right.

The CHAIRMAN. And with Nathan and Francis Weisenberg. Were you in business with them but you won't tell what kind of business?

Mr. POLIZZI. That's right.

The CHAIRMAN. Will you tell whether you were in the City Vending Co. or not.

Mr. POLIZZI. I don't believe I was.

The CHAIRMAN. Do you remember for sure?

Mr. POLIZZI. I couldn't say.

The CHAIRMAN. How about the Skill Amusement Co.?

Mr. POLIZZI. I don't even recall the name.

The CHAIRMAN. You refuse to testify about the Buckeye Catering Co.?

Mr. POLIZZI. That's right.

The CHAIRMAN. You did buy a very substantial stock interest in Tip Top Brewing Co., didn't you?

Mr. POLIZZI. Yes.

The CHAIRMAN. When did you do that?

Mr. POLIZZI. In 1940.

The CHAIRMAN. Was that out of money that you had made in some transactions that were not legal.

Mr. FULTON. Objection to that.

Mr. POLIZZI. I refuse to answer.

Mr. CHAIRMAN. You are directed to answer.

Mr. POLIZZI. I still refuse to answer.

The CHAIRMAN. How about the Lubeck Distilling Co.

Mr. FULTON. Distributing Co.

The CHAIRMAN. Distributing Co.?

Mr. POLIZZI. Distributing Co.

The CHAIRMAN. Did you buy an interest in that, too.

Mr. POLIZZI. I started that company.

The CHAIRMAN. You started the company?

Mr. POLIZZI. (Nodding head affirmatively.)

The CHAIRMAN. And you still have it.

Mr. POLLIZZI. There was a merger between—that—I sold that.

The CHAIRMAN. Then you had the Pabst Sales Co., too, that you started, didn't you?

You had an interest in it.

Mr. POLIZZI. No, that—I will explain that to you if you would like to hear it.

The CHAIRMAN. All right.

Mr. POLIZZI. The Lubeck Distributing Co.?

The CHAIRMAN. No, the Pabst Sales Co.

Mr. POLIZZI. There was no Pabst Sales Co.

The CHAIRMAN. Then you got a salary from the Pabst Sales Co.

Mr. POLIZZI. That was a promotion.

The CHAIRMAN. What did you promote?

What was it about?

Mr. POLIZZI. I promoted the product. I wish it would be stricken from the—I don't like to mention the name.

The CHAIRMAN. Why?

Mr. POLIZZI. Well, after all they spend thousands of dollars to advertise this product and I don't think this will do it any good.

The CHAIRMAN. But you had some sort of promotion project in connection with it.

But the Tip-Top Brewing Co. was one of your principal sources of income?

Mr. POLIZZI. Yes.

The CHAIRMAN. Fifteen or eighteen thousand dollars a year?

Mr. POLIZZI. That's right.

The CHAIRMAN. This Mr. Thompson, we have gotten apparently an incorrect identification, and I am sorry about that.

How old is Mr. Thompson?

Mr. POLIZZI. He is about 60.

The CHAIRMAN. Where did he come from, do you know? Washington, D. C.?

Mr. POLIZZI. Washington, D. C.

The CHAIRMAN. Where did he come from originally? Do you know whether he lived in Mansfield, Ohio, or not?

Mr. POLIZZI. I don't think so. I know that he worked over—I believe he was telling me that they had a job over near Marion, Ohio, somewhere.

The CHAIRMAN. Does he have any physical deformity?

Mr. POLIZZI. No, none whatsoever.

The CHAIRMAN. I mean, no scars on his face, or no trouble with his hands?

Mr. POLIZZI. No; no trouble.

The CHAIRMAN. And he came from Washington out here, you say?

Mr. POLIZZI. I believe so. He has quite a background as far as construction is concerned.

The CHAIRMAN. And when you met him he was on some job out here?

Mr. POLIZZI. Yes. He has built most of these big apartment houses here in Shaker Heights.

The CHAIRMAN. If he was ever in any trouble, you didn't know anything about it, you say?

Mr. POLIZZI. That is right.

The CHAIRMAN. I want the record to show that we had a Forrest Thompson who had a record, so unless we have something on your Mr. Forrest Thompson, why, I am sorry we have gotten him confused.

Mr. POLIZZI. That is quite all right.

The CHAIRMAN. How about Sam Indelicato? Were you in business with him?

Mr. POLIZZI. No.

The CHAIRMAN. I think you showed it on some of the records you left with us.

Mr. POLIZZI. No; I'm sorry.

The CHAIRMAN. Is he the olive-oil man? Who were you in the olive-oil business with?

Mr. POLIZZI. That was Frank Milano.

The CHAIRMAN. Oh, yes.

Mr. HALLEY. There is just one thing I wonder if you could help the committee on, Mr. Polizzi. Did you ever hear of an organization known as the Mafia?

Mr. POLIZZI. I have read about it. There is lots of talk about it in the papers with reference to this committee.

I don't know anything about it.

Mr. HALLEY. Except from what you read in the papers with reference to this committee, do you know anything about it?

Mr. POLIZZI. I do not know anything about it.

Mr. HALLEY. Did you ever hear of the Unione Siciliano?

Mr. POLIZZI. Yes; I believe I did.

Mr. HALLEY. What can you tell the committee about that?

Mr. POLIZZI. I know they were here—they were in Cleveland some years ago promoting membership in that particular club. It was kind of an insurance business. They had a charter and everything else. I don't know much about it.

Mr. HALLEY. Did you belong to it?

Mr. POLIZZI. No.

Mr. HALLEY. What were the purposes of the club?

Mr. POLIZZI. I really don't know. I mean, as far as I know, they had a charter and they were soliciting members.

Mr. HALLEY. Were you ever solicited?

Mr. POLIZZI. I was, but I didn't join. I didn't accept.

Mr. HALLEY. Did you know any members?

Mr. POLIZZI. There was a number of people here that were out soliciting, quite prominent people, like lawyers and dentists, and a few of those people.

Mr. HALLEY. Who did you know who were members?

Mr. POLIZZI. I don't remember.

Mr. FULTON. Is this some secret society?

The CHAIRMAN. That is what we are trying to find out about, Mr. Fulton.

Mr. FULTON. One wouldn't know who was a member unless he was in himself.

Mr. HALLEY. Did you ever hear of a Black Hand Society?

Mr. POLIZZI. Yes; I heard of Black Hand since I was a baby.

Mr. HALLEY. Did you ever hear of extortion threats?

Mr. POLIZZI. Yes; I have.

Mr. HALLEY. And certain crimes being committed upon people who refused to pay extortion?

Mr. POLIZZI. That's right, I have. I think it is terrible.

Mr. HALLEY. You did hear about that when you were a youngster; is that right?

Mr. POLIZZI. Yes; I did.

Mr. HALLEY. Did you ever hear of the Black Hand as being a secret society?

Mr. POLIZZI. Only like you would hear it.

Mr. HALLEY. What is that?

Mr. POLIZZI. I say, like you would hear it.

Mr. HALLEY. How did you hear it?

Mr. POLIZZI. About the Black Hand?

Mr. HALLEY. Yes.

Mr. POLIZZI. Well, I heard it ever since I was a kid. I used to get—as a boy I used to get hearsay, people would be talking about a terrible thing happened to so-and-so, he got a Black Hand letter, and somebody burned his house, or they had a picture. I mean it scared the kids. I remember, I was scared to death.

Mr. HALLEY. Did it scare businessmen?

Mr. POLIZZI. I suppose it would.

Mr. HALLEY. Did you ever have any experience personally with any Black Hand threats of any kind?

Mr. POLIZZI. None whatsoever.

Mr. HALLEY. Did you ever hear of the Black Hand Society referred to as the Mafia?

Mr. POLIZZI. Only in the papers.

Mr. HALLEY. You didn't hear of that as a young boy?

Mr. POLIZZI. No.

Mr. HALLEY. You never heard that expression, "Mafia"?

Mr. POLIZZI. No, I didn't. I have read a lot about this business since I have been accused.

Mr. HALLEY. Have you ever known anybody that you believed or had reason to believe was a member of any Black Hand Society?

Mr. POLIZZI. I wouldn't know.

Mr. HALLEY. To your knowledge, you have not known anybody?

Mr. POLIZZI. That's right, I wouldn't know. How would I know?

Mr. HALLEY. You personally have never been a member of such a society?

Mr. POLIZZI. Absolutely not.

Mr. HALLEY. Or the Mafia?

Mr. POLIZZI. Absolutely not.

Mr. HALLEY. In fact, just to make it clear, it is your testimony that you just don't know that there is such a thing as the Mafia; is that right?

Mr. POLIZZI. That's right.

Mr. HALLEY. And you did not ever belong to any society known as the Unione Siciliano?

Mr. POLIZZI. Absolutely not. I have never belonged to any secret society, if that is what you would say.

Mr. HALLEY. Did you say that you had ever met a man by the name of Vito Genovese?

Mr. POLIZZI. No.

Mr. HALLEY. Do you know him?

Mr. POLIZZI. I don't know if I do or not.

Mr. HALLEY. You don't know if you do or not?

Mr. POLIZZI. I don't think I have met him.

Mr. HALLEY. Have you heard of him?

Mr. POLIZZI. I might have. I don't recall. I don't recall the name. I don't recall.

Mr. HALLEY. Thank you.

Mr. FULTON. May I ask a question, one question or two?

The CHAIRMAN. Sure.

Mr. FULTON. I have heard questions put about Angersola, King, members of the Angersola family, King family, being one and the same.

Over what period of time do you understand the Angersolas used the name King?

Mr. POLIZZI. Yes.

Mr. FULTON. How long have they used the name King?

Mr. POLIZZI. All their lives.

Mr. FULTON. Since you were a boy?

Mr. POLIZZI. Since I was a boy. As a matter of fact, I was a life-guard with Fred in Luna Park years back.

Mr. FULTON. Mr. Chairman, I sat here in the courtroom heretofore—I don't intend to make any speeches now—and heard other witnesses afforded the opportunity to say something in response to things in the paper. Now, there was an article in the Cleveland Press since these hearings started, or about the time they started, to the effect that the respondent Al Polizzi was a member of the so-called Mayfield Gang.

I have here, and it can be found in the Press files, an editorial from the Press of October 20, 1938, headed, A Legend Buried.

Clayton Fritchey of the Press staff, in a series of stories is tracing the trend of mobdom in Cleveland—particularly as it relates to "policy" and "clearing-house," the great numbers lotteries.

One myth these stories should clear up is that of the existence of a supermob variously called the Mayfield Gang or the Hill Crowd, and so forth. It is shown that such an identification of various gangs is a misnomer.

There have been some spectacular slayings on Mayfield Road and some well-known racketeers have come from this district, just as many other sections of the city also have had killings and criminals.

Mayfield Road and adjacent streets are about the same as other neighborhoods. The overwhelming majority of residents are respectable, law-abiding citizens. Many have achieved esteemed places in the general community.

It is about time to lay at rest the legend of the so-called Mayfield Road gang. If police, in the future, find it necessary to label a certain crowd, why not say "Policy Mob," if that is what is meant.

In any case, it would be a good idea to stop resurrecting Mayfield every time some new gang comes along.

The CHAIRMAN. Of course, Mr. Fulton, it is impossible for us to know whether Mr. Polizzi has been in any gang from his testimony because he won't testify of anything prior to 1945.

Mr. FULTON. I claim that is not pertinent to this record.

The CHAIRMAN. Mr. Polizzi, I wanted to ask you one or two other questions.

This John Angersola who was with you in the Sands Hotel, he is also in the Wofford Hotel, isn't he?

Mr. POLIZZI. I believe he is, but I am not in that deal.

The CHAIRMAN. But he is your partner, and he is in both of these hotels?

Mr. POLIZZI. That's right.

The CHAIRMAN. And Mr. Giesey, who was here this morning, he is the one who fixes up your income-tax returns and does your auditing for you?

Mr. POLIZZI. No; he does not.

The CHAIRMAN. Why, he did up to a certain time?

Mr. POLIZZI. Yes.

The CHAIRMAN. Until you went to Florida?

Mr. POLIZZI. That's right.

The CHAIRMAN. You came over here I believe when you were about 6 years old, is that correct?

Mr. POLIZZI. About 9.

The CHAIRMAN. Nine. From Sicily or Italy or where?

Mr. POLIZZI. Sicily.

The CHAIRMAN. Sicily. You were naturalized?

Mr. POLIZZI. In 1928.

The CHAIRMAN. In 1928?

Mr. POLIZZI. Yes.

The CHAIRMAN. Didn't you get a charge brought against you for perjury for failing to state on your naturalization papers that you had been convicted in 1926?

Mr. POLIZZI. Yes; I did.

The CHAIRMAN. And the matter was dismissed; is that correct?

Mr. POLIZZI. Yes.

The CHAIRMAN. All right.

Mr. NELLIS. I have no further questions.

The CHAIRMAN. That's all. You remain under subpoena. I must say, Mr. Polizzi, that I will have to recommend to the whole committee that action be taken against you. I regret that that is the situation but, of course, if people arbitrarily are going to put a time limit on what they are going to testify about, it is very difficult to follow any other course.

Mr. POLIZZI. It is a little too embarrassing.

The CHAIRMAN. I know.

Mr. POLIZZI. And I have had nothing but trouble with that kind of a shadow.

The CHAIRMAN. Yes.

Mr. FULTON. Let me repeat for the last time that in a secret session here or anywhere else, everyone of those questions will be fully and completely answered.

The CHAIRMAN. Well, the difficulty about that is that even in a secret session or an executive session we have to report to the United States Senate, Mr. Fulton.

Mr. FULTON. I realize that but it doesn't have to be reported in question and answer form.

The CHAIRMAN. On the authority of the chairman, the police record of Mr. Polizzi will be put into the record and made a part, not as an exhibit to his testimony but as a part of our record.

(The record of Alfred Polizzi is made a part of the committee's record, identified as exhibit No. 69, and appears in the appendix on p. 465.)

Mr. POLIZZI. Senator, may I say this?

Mr. FULTON. Just a moment. I move that evidence and those documents be excluded from the record.

The CHAIRMAN. Very well.

Mr. FULTON. And that all evidence given by way of testimony or documents or others heretofore or hereafter relating to Mr. Polizzi be stricken from the record.

The CHAIRMAN. Yes, we understand. All right.

Mr. POLIZZI. Senator, however, I would like to say this, that, of course, all the people that were mentioned here whether I knew them or I didn't know them were, of course, people the choice of the committee. I also want to state that I do know a good many people that perhaps that I do business with and associate with such as doctors, lawyers, bankers, presidents of banks, vice presidents, and many, many fine citizens.

The CHAIRMAN. Well, I am sure that is true, Mr. Polizzi. Naturally, in the construction business and in a hotel business you would meet a good many people of that kind, but it does appear that you left Cleveland and you have carried on with pretty much the same people that you——

Mr. POLIZZI. I didn't think I was, Senator.

The CHAIRMAN. Down in Miami and, in addition to them that you have managed to meet the Fischettis and a good many others.

Mr. POLIZZI. Senator, can you help it if you meet someone?

The CHAIRMAN. Yes. All right. Well, that is all right.

Mr. HALLEY. While you are still here, do you know James Licavoli?

Mr. POLIZZI. Yes.

Mr. HALLEY. Did you know whether or not he was paroled from prison in 1946?

Mr. POLIZZI. I believe I heard something about it. I don't know for sure.

Mr. HALLEY. Did you have anything to do with that parole?

Mr. POLIZZI. Absolutely not.

Mr. HALLEY. Did your business partner have anything to do with that parole?

Mr. POLIZZI. That I don't know anything about. I was told—I heard about that later on. As a matter of fact, I didn't even know anything with reference—Forrest Allen was asking me about that and I didn't even know that there was a letter written, that there would be a job for him and that's what was told. I didn't know a thing about it. As a matter of fact, I didn't even know whether I met——

Mr. HALLEY. Was a letter written for him by your partner?

Mr. POLIZZI. I believe so but I don't even know whether I knew Forrest Thompson at the time.

Mr. HALLEY. It is a strange coincidence; let's explore it a little further. When did you first find out that Forrest Thompson with whom you are in partnership wrote a letter for James Licavoli?

Mr. POLIZZI. When Forrest Allen told me.

Mr. HALLEY. Do you know it now? Have you checked with your partner to find out?

Mr. POLIZZI. I haven't checked only what Forrest Allen told me. I haven't checked anything with reference to it.

Mr. HALLEY. Is it possible that we have got the wrong Forrest Allen again? You see——

Mr. POLIZZI. Forrest Allen?

Mr. HALLEY. Forrest Thompson.

Mr. POLIZZI. He is a newspaper reporter for the Press.

Mr. HALLEY. I know Forrest Allen.

Mr. POLIZZI. He is not wrong.

Mr. HALLEY. We are talking about Forrest Thompson.

Mr. POLIZZI. Well, Forrest Thompson, there is nothing wrong with him.

Mr. HALLEY. Is it possible there is a mistake in identity again?

Mr. POLIZZI. I don't believe so.

Mr. HALLEY. You do think it is your partner that wrote a letter for James Licavoli?

Mr. POLIZZI. That might be very possible.

Mr. HALLEY. Had he previously known James Licavoli?

Mr. POLIZZI. I believe he had. I couldn't swear to that because I don't know.

Mr. HALLEY. Well, I am interested in that because we haven't gone through all of your present——

Mr. POLIZZI. How would I know that, Mr. Halley?

Mr. HALLEY. May I finish even though what I am going to say is a little bit of a speech; it is to explain to you why I am interested in it so we can pursue it. You see, we were going through your present businesses to find out which of your present businesses was free from all of the past taint and the one that seemed most free was this construction business, this Thompson. Now does it appear that he is a pal of the Licavolis?

Mr. POLIZZI. No, no; he is not.

Mr. HALLEY. How would he come to sponsor the parole of James Licavoli?

Mr. POLIZZI. I don't believe he sponsored. I don't think there was any such thing as him sponsoring, from what I understand. Maybe——maybe I am all wrong.

Mr. HALLEY. What do you understand to be the facts?

Mr. POLIZZI. What I understand to be the fact is that a letter was written with reference to giving this man a job if he came out of prison. Now, I don't know what the details were but there was no recommendation on his part from what I understand——

Mr. HALLEY. Well, now, when did you go into business with Thompson?

Mr. POLIZZI. I believe it was in 1947.

Mr. HALLEY. In 1947?

Mr. POLIZZI. Yes.

Mr. HALLEY. And the parole was in 1946?

Mr. POLIZZI. I don't know anything about that. I don't even know when it was.

Mr. HALLEY. Now, Thompson had no money; you provided——

Mr. POLIZZI. The financing?

Mr. HALLEY. The financing.

Mr. POLIZZI. Yes; I did.

Mr. HALLEY. Was Thompson then at that time undertaking to give Licavoli a job in a business you were to create; is that the situation?

Mr. POLIZZI. I am sorry; will you repeat that again?

Mr. HALLEY. Thompson was undertaking to provide employment for James Licavoli; is that right?

Mr. POLIZZI. Yes; for James Licavoli?

Mr. HALLEY. Yes.

Mr. POLIZZI. Yes.

Mr. HALLEY. He had no assets to create a business enterprise; is that correct?

Mr. POLIZZI. He didn't need—he didn't need Licavoli for an enterprise.

Mr. HALLEY. No; but he needed money to have an enterprise, didn't he?

Mr. POLIZZI. He was working for someone.

Mr. HALLEY. Working for someone else, he couldn't provide a job.

Mr. POLIZZI. Yes, he could.

Mr. HALLEY. How?

Mr. POLIZZI. Because he was in charge of construction.

Mr. HALLEY. He was offering to be the employer, was he not?

Mr. POLIZZI. Thompson?

Mr. HALLEY. Yes.

Mr. POLIZZI. Yes.

Mr. HALLEY. Was there or was there not any relationship between Thompson's offer to provide employment for James Licavoli and your financing Thompson in the construction business?

Mr. POLIZZI. None whatsoever.

Mr. HALLEY. That is just a coincidence?

Mr. POLIZZI. That's right.

Mr. HALLEY. At the time you went into business with Thompson did you know that he had had some connection with the Licavolis?

Mr. POLIZZI. Absolutely not.

Mr. HALLEY. When did you first learn it?

Mr. POLIZZI. When Forrest Allen asked me about it.

Mr. HALLEY. What have you learned about his previous relationship with the Licavolis?

Mr. POLIZZI. I haven't learned anything about the previous relations between Forrest Allen—as a matter of fact, I don't think——

Mr. HALLEY. Now, you did it.

Mr. POLIZZI. Forrest Thompson. Well, I am sorry.

Mr. HALLEY. Forrest Thompson.

Mr. POLIZZI. Forrest Thompson. I don't know whether he knows Licavoli or not. He is an employer.

Mr. HALLEY. How would he——

Mr. POLIZZI. Wait a minute. He is an employer and he was asked, perhaps, someone might have asked him if he would give this fellow a job if and when.

Mr. HALLEY. Who would have asked him that?

Mr. POLIZZI. Well, I don't know. I didn't ask, that's for sure.

Mr. HALLEY. You say that this other partner of yours—what's his name, in the construction company—what is the name of your third—of your second partner?

Mr. POLIZZI. Mangine.

Mr. HALLEY. Manginge. You say he introduced you to Thompson?

Mr. POLIZZI. That's right.

Mr. HALLEY. And that Thompson had just come from Washington?

Mr. POLIZZI. No; Thompson had been working here. He was——

Mr. HALLEY. In Cleveland?

Mr. POLIZZI. He was working here at the time I met him.

Mr. FULTON. That word has been used several times talking about that man, "here." Does that mean here in Cleveland or where?

Mr. POLIZZI. In Cleveland. He was employed here in Cleveland on a construction job here, business construction.

Mr. HALLEY. There is no explanation of how this man Thompson would suddenly write a letter to James Licavoli?

Mr. POLIZZI. Mr. Halley, I don't know anything about that. The only thing I can tell you is that I don't know anything about it, how it came about, what it didn't——I only know he was asked to write a letter; that is the only thing I found out.

Mr. HALLEY. Do you know who asked him to write the letter?

Mr. POLIZZI. That I don't even know; that I don't know.

The CHAIRMAN. All right. I think we have had enough of this.

Mr. FULTON. You have said to be available. Do you mean while the session is in Cleveland.

The CHAIRMAN. No.

Mr. FULTON. May Mr. Polizzi leave Cleveland to go back to Florida?

The CHAIRMAN. He may leave if he wishes to but what I mean is if we——

Mr. FULTON. I see.

The CHAIRMAN. If we want you back for some purpose, the subpoena will remain in effect. As to that we will notify you or Mr. Polizzi to appear at some future time but I don't contemplate that we will want Mr. Polizzi any more during this hearing.

Mr. FULTON. Sincerely I am grateful for the courtesy shown by all of your gentlemen.

The CHAIRMAN. Our session will begin in the morning at 9:30. We stand in recess until 9:30 in the morning.

(Whereupon, the hearing was recessed until 9:30 a. m., January 19, 1951.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, JANUARY 19, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED
CRIME IN INTERSTATE COMMERCE,
Cleveland, Ohio.

The committee met, pursuant to recess, at 9:45 a. m., in room 318, Federal Building, Senator Estes Kefauver (chairman) presiding.

Present: Senator Kefauver.

Also present: Rudolph Halley, chief counsel; Joseph L. Nellis, assistant counsel; George S. Robinson, associate counsel; John McCormick, investigator.

The CHAIRMAN. The committee will come to order.

I will say something about our plans for the day. It is going to be our effort to finish up today or perhaps with another night session tonight, much as we hate to have night sessions and not get to enjoy the city of Cleveland and the good associations here.

We have about 12 or 15 witnesses, so I am going to have to ask counsel to get to the point of the matter with these various witnesses as quickly as possible.

I am glad to have with us this morning Mr. George Robinson, who for many months has been a splendid associate counsel of our committee, who had charge of the office in Washington for quite a while, and then later on directed the investigation and inquiry in the city of Chicago. Because of the exigencies of the war, Mr. Robinson was called back, and felt required to go back as assistant counsel to the Secretary of the Air Force, but he has gotten leave to come on today to examine certain Chicago witnesses whom we are supposed to have here.

I may as well check up at this time and see if the three people from Chicago or any of them have come in yet.

Mr. McCORMICK. Mr. Greenberg is here.

The CHAIRMAN. How about George Mays?

Mr. McCORMICK. He hasn't shown up yet.

The CHAIRMAN. Let's call Mr. DiCarlo at this time.

Before we get started there, though, is there anyone here who wants to testify? I mean, who feels that they have been improperly represented before the committee by anyone.

I will give them an opportunity at this time if they speak up.

The CHAIRMAN. All right. Mr. DiCarlo?

Mr. Mock. He is in the city, but I understand he would be here at 10 o'clock.

The CHAIRMAN. He is outside, I think. What is your name, sir?

Mr. MOCK. Russell Mock. From Youngstown.

The CHAIRMAN. Your address?

Mr. MOCK. 1003 Mahoning Bank Building, Youngstown, Ohio.

The CHAIRMAN. All right, Mr. DiCarlo, come around.

Do you solemnly swear the testimony you give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. DiCARLO. I do.

TESTIMONY OF JOSEPH DiCARLO, YOUNGSTOWN, OHIO, ACCOMPANIED BY RUSSELL MOCK, ATTORNEY, YOUNGSTOWN, OHIO

Mr. NELLIS. What is your name?

Mr. DiCARLO. Joseph DiCarlo.

Mr. MOCK. Are you known by any other name?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Never been known as "Doto"?

Mr. DiCARLO. No.

Mr. NELLIS. Have you ever been arrested?

Mr. DiCARLO. Yes.

The CHAIRMAN. Let the record show that Mr. Russell Mock, attorney, of Youngstown, Ohio, is appearing with Mr. DiCarlo.

That is spelled D-e-C-a——

Mr. DiCARLO. D-i.

Mr. NELLIS. Have you ever been arrested?

Mr. DiCARLO. Yes, sir.

Mr. NELLIS. In connection with what?

Mr. DiCARLO. Well, offhand—gambling.

Mr. NELLIS. Well, did you spend 6 years in the United States penitentiary at Atlanta?

Mr. DiCARLO. Yes.

Mr. NELLIS. What was that for?

Mr. DiCARLO. Conspiracy.

Mr. NELLIS. Conspiracy to what?

Mr. DiCARLO. Well, offhand I wouldn't know the charge.

Mr. NELLIS. Well, were you sent there for conspiracy to intimidate witnesses in connection with a case pending at that time?

Mr. DiCARLO. Well, if that is what is on the record it must be.

Mr. NELLIS. Don't you recall?

Mr. DiCARLO. I don't recall the cause.

Mr. NELLIS. How about an arrest in Buffalo, in 1930; another in 1931 and 1936, in connection with suspicion, racketeer, and so forth? Do you know about that?

Mr. DiCARLO. Well, if it is on the record I must have been arrested.

Mr. NELLIS. How about assaults in 1936, in Chickatawaua Forks, N. Y.? Where is that?

Mr. DiCARLO. Where is that, did you say?

Mr. NELLIS. Yes.

Mr. DiCARLO. Well, that is in New York State.

Mr. NELLIS. And assault in Buffalo in 1936.

Did you register when you went down to Miami under the felony law?

Mr. DiCARLO. Yes, sir.

The CHAIRMAN. Let's have an answer. You brought up matters about these felony charges, and he didn't answer.

Mr. NELLIS. Didn't he answer?

The CHAIRMAN. I don't think so.

Mr. NELLIS. Did you answer the question?

Mr. DiCARLO. What was that?

Mr. NELLIS. Were you arrested in Buffalo, N. Y., on about six different occasions in connection with various offenses?

Mr. DiCARLO. Well, I must have been. It that my record there?

Mr. NELLIS. Yes, it is.

Mr. DiCARLO. Well, I must have been.

Mr. MOCK. For the purpose of the record, of course, I wish to object to it, because of the remoteness. It has nothing to do with interstate.

The CHAIRMAN. All right.

Mr. NELLIS. When you went to Miami Beach, Fla., in 1937, did you register as a felon?

Mr. DiCARLO. Well, I don't know what year. I registered four or five different times, but just don't remember the year.

Mr. NELLIS. I offer this record in evidence, Mr. Chairman.

The CHAIRMAN. Is this the official record?

Mr. NELLIS. Yes, it is.

The CHAIRMAN. Well, I don't understand this first, here, whether assault, first degree—there also seems to be a conspiracy to intimidate witnesses.

Are those different things? Were they different? They seem to be each 6 years.

Mr. DiCARLO. No, there is only one sentence of 6 years, Senator.

The CHAIRMAN. There is an assault back in 1924, and then in 1925 there seems to be a conspiracy to intimidate witnesses.

Mr. DiCARLO. Well, I think that is both the same charge. If my recollection is right, in 1925 I was in Atlanta.

The CHAIRMAN. It seems to be two different sentences here.

Mr. DiCARLO. Well, there can't be. There is only one on that part of the time.

The CHAIRMAN. All right. Let the record be made a part of the record.

(The document identified was thereupon received in evidence as exhibit No. 70, and appears in the appendix on p. 466.)

Mr. NELLIS. Where were you between December 15 and January 3 or 4 of this year?

Mr. DiCARLO. Why, I was in Youngstown and in Buffalo.

Mr. NELLIS. Did you know this committee was attempting to serve a subpoena upon you?

Mr. DiCARLO. No, sir.

Mr. NELLIS. You had no knowledge of that; is that right?

Mr. DiCARLO. No, sir.

Mr. NELLIS. You didn't read the newspaper?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Or hear it on the radio?

Mr. DiCARLO. No, sir.

Mr. NELLIS. You weren't trying to duck service, were you?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Now, what is your business, Mr. DiCarlo?

Mr. DiCARLO. Well, I was in the amusement business until a few years ago, I would say 6 or 7 years ago.

Mr. NELLIS. What kind of amusement?

Mr. DiCARLO. Why, I had cigarette machines and music boxes.

Mr. NELLIS. What was your business in Buffalo?

Mr. DiCARLO. That is the business.

Mr. NELLIS. And what caused you to leave there?

Mr. DiCARLO. Why, I just wanted to leave.

Mr. NELLIS. What year was that?

Mr. DiCARLO. 1945 or 1946.

Mr. NELLIS. You just decided to leave Buffalo because the heat was on; is that right?

Mr. DiCARLO. No, there was no heat.

Mr. NELLIS. There was no heat? Well, what made you pick Ohio? How did you get here?

Mr. DiCARLO. Why, I don't think that is important.

Mr. NELLIS. Well, answer my question. The chairman will decide whether it is important or not.

What made you decide to come here?

Mr. MOCK. I object to it, for the purpose of the record.

The CHAIRMAN. What did you come to Ohio for? That is the question.

Mr. DiCARLO. Why, I just wanted to make a change.

Mr. NELLIS. Well, where did you come first? To Cleveland?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Where did you go?

Mr. DiCARLO. To Youngstown.

Mr. NELLIS. Didn't you come to Cleveland and visit with James Licavoli?

Mr. DiCARLO. No, sir.

Mr. NELLIS. You are sure?

Mr. DiCARLO. Yes, sir.

Mr. NELLIS. And what did you do when you got to Youngstown? What was your business there?

Mr. DiCARLO. Well, I wasn't in any kind of business.

Mr. NELLIS. Well, what specifically?

Mr. DiCARLO. Well, I refuse to answer that question.

The CHAIRMAN. On what grounds, Mr. DiCarlo?

Mr. DiCARLO. Incriminating myself.

The CHAIRMAN. When was this you came to Youngstown?

Mr. DiCARLO. Why, I don't know. 1945 or 1946.

The CHAIRMAN. Well, incriminate yourself with what? Could you state the offense?

Mr. DiCARLO. Well, I just refuse to answer.

The CHAIRMAN. Well, the Chair will have to direct you to answer, Mr. DiCarlo.

Mr. DiCARLO. Well, I am not going to answer.

Mr. MOCK. Senator, in fairness to the witness, I would like to state at this time that with reference to testimony yesterday of Chief Allen, there is still in litigation a case involving this man, Mr. Aeillo, and a Mr. Capudo.

Now, that case I argued in the supreme court at Columbus, Wednesday. In other words, in fairness to the witness, there is litigation pending over the very times that you are asking him about.

The CHAIRMAN. Now, let me get it straight. DiCarlo, Aeillo and——

Mr. MOCK. Mr. Capudo.

In the testimony yesterday, with reference to Chief Allen——

The CHAIRMAN. Does that case have anything to do with Mr. DiCarlo?

Mr. MOCK. Yes.

The CHAIRMAN. Is he one of the defendants?

Mr. MOCK. He isn't one of the defendants, but he is involved in the question, and Mr. Aeillo, who Chief Allen claimed he was in business with at that time, is certainly involved, the three of them are there.

The CHAIRMAN. Well, what is the nature of the case?

Mr. MOCK. Well, it is entitled "a suspicious person," but that is——

The CHAIRMAN. It is questioning the legality of the ordinance of the city of Youngstown; is that it?

Mr. MOCK. It questions the legality of the city ordinance; it questions the right of the city under what we call a bill of particulars in this State, setting out certain things pertaining to gambling. It involves this man's local affairs, and involves Mr. Aeillo's local affairs, and due to the fact that it doesn't have anything to do——

The CHAIRMAN. Well, Mr. Mock, is Mr. DiCarlo one of the defendants, or is he one of the parties litigant to this case?

Mr. MOCK. No, but the record does show that the chief is still investigating the offense. In other words, the record shows that he at that time testified that he was still investigating the case, and there would be later on more information or indictments, or probably offenses filed. Now, that is the reason.

The CHAIRMAN. Of course, Mr. Mock, I am sure you are familiar with the decisions of the Supreme Court, that while Mr. DiCarlo might have the privilege of not testifying under the fifth amendment involving some matter that might incriminate him of a Federal offense, he does not have the right to refuse to testify as to some matters that might tend to incriminate him of a State offense.

Mr. MOCK. By the same token, under the Constitution of the United States and the Constitution of Ohio, there isn't any individual that has to testify with reference to incrimination of any State or national crime, and there is a question here not only as to gambling, but maybe as to another felony, so——

The CHAIRMAN. Of course, we are just talking about Mr. DiCarlo right now. I can't see that the case pending has anything to do with Mr. DiCarlo even if it involves the constitutionality of an ordinance of the city of Youngstown.

Well, anyway, Mr. Mock, I don't know whether you know the law better than we do or we know it better than you do, we will have to take a chance.

The question is, Mr. DiCarlo: What business did you enter in Youngstown, Ohio, when you came there in 1945 or 1946?

Mr. DiCARLO. I refuse to answer.

The CHAIRMAN. And the Chair directs you to answer.

Mr. DiCARLO. Well——

The CHAIRMAN. Do you still refuse to answer?

Mr. DiCARLO. Yes.

Mr. NELLIS. Were you in business in 1947?

Mr. Mock. Senator, in fairness to future questions, I might further explain that the other two or three that you subpoenaed before the committee, they are all involved in that same litigation, as the chief has already testified to. There are probably 20 men brought in, and under our State constitution they refuse to testify even as city witnesses.

The CHAIRMAN. Very well. We understand your point, Mr. Mock.

Mr. Mock. Thank you, sir.

Mr. NELLIS. The question is: What was your business in 1947?

Mr. DiCARLO. I answered that I refuse to answer.

The CHAIRMAN. Well, you are directed to answer. You refuse to follow the direction of the Chair, isn't that correct?

I asked you a question and you refused to answer, and if I think it is a proper question, it is my duty to order you to answer. If I order you to answer, then you say you will or you won't.

Mr. Mock. He refuses to answer on his constitutional rights.

Mr. NELLIS. What is the Woodworth Novelty Co., Woodworth, Ohio?

Mr. DiCARLO. What is it?

Mr. NELLIS. Yes; what is it?

Mr. DiCARLO. I wouldn't know.

Mr. NELLIS. Weren't you associated in that business with some people?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Didn't you tell the Bureau of Internal Revenue that you were associated in that business?

Mr. DiCARLO. In the what?

Mr. NELLIS. Woodworth Novelty Co., Woodworth, Ohio.

Mr. DiCARLO. Woodworth, Ohio? I don't know where Woodworth—

Mr. Mock. Mr. Nellis, there isn't any Woodworth, Ohio.

Mr. NELLIS. Well, that is what the record shows. It shows that the witness has received some receipts from a slot-machine business. Now, one of the items—

The CHAIRMAN. Let's ask it this way: In 1947 or thereabouts, weren't you in the slot-machine business?

Mr. Mock. I object to it.

The CHAIRMAN. All right. You object. Will you answer the question?

Mr. DiCARLO. I refuse to answer it.

The CHAIRMAN. And you are directed to answer. I direct you to answer. Will you answer or will you not?

Mr. DiCARLO. I won't.

Mr. NELLIS. What was this item in 1948 which you stated that you received some income on speculations?

Mr. DiCARLO. I refuse to answer.

The CHAIRMAN. Did you receive some money by virtue of speculations during the years that we have been talking about, 1946, 1947, and 1948, and if so, what was it?

Mr. DiCARLO. I just don't remember.

Mr. NELLIS. Do you recall that in 1948 when you were in the slot-machine business you—

The CHAIRMAN. In fairness, the witness hasn't said he was in the slot-machine business.

Mr. NELLIS. Whatever business you were in in 1948, did you make any pay-offs in connection with that business?

Mr. DiCARLO. What do you mean by pay-offs?

Mr. NELLIS. Well, I am asking you. That is the way you described it.

Mr. DiCARLO. Why, I don't get that.

Mr. MOCK. I object to it.

Mr. NELLIS. Did you make any pay-offs in 1948 in connection with your business?

Mr. MOCK. I object to the question.

The CHAIRMAN. Will you answer the question?

Mr. DiCARLO. Well, I don't understand.

The CHAIRMAN. Well, pay-offs, paying money to somebody for protection or for some favor or to some enforcement officer.

Mr. MOCK. I object to that because there are many reasons that I can give you for paying off. If there is a bet that you won, it might be a pay-off.

The CHAIRMAN. Well, anyway, Mr. Mock, let me ask the question.

Did you, during this time, engage in any pay-offs to police officers or public officials?

Mr. DiCARLO. No, sir.

The CHAIRMAN. In any amount?

Mr. DiCARLO. No.

The CHAIRMAN. What is this on your books and records called pay-offs?

Mr. MOCK. I object to that.

The CHAIRMAN. All right. I am asking you your question.

Mr. MOCK. I think you have covered it in your previous question.

The CHAIRMAN. Mr. Mock, you make your objection, and I will rule on it.

Mr. MOCK. At this time I would like to object to the committee at this time—in other words, the fact that there is only one member of the three-member committee sitting here.

The CHAIRMAN. All right.

Mr. MOCK. Just a minute. For the purpose of the record. In my opinion, at least, there should be two members of any judicial tribunal or any inquiry pertaining to a matter of this kind, and I object to only one member of the committee sitting and passing upon the evidence and interrogating the witness.

The CHAIRMAN. Your objection is overruled.

Mr. MOCK. Exception.

Mr. NELLIS. Do you know Joseph Aeillo?

Mr. DiCARLO. Yes.

Mr. NELLIS. What is his business?

Mr. DiCARLO. I wouldn't know.

Mr. NELLIS. Do you know Cadillac Charley Cavallaro?

Mr. DiCARLO. Yes.

Mr. NELLIS. Joseph Melik?

Mr. DiCARLO. Yes.

Mr. NELLIS. Samuel Halpern?

Mr. DiCARLO. Just slightly.

Mr. NELLIS. Leo Manley?

Mr. DiCARLO. No, sir.

Mr. NELLIS. You don't know him?

Mr. DiCARLO. No.

Mr. NELLIS. Tom Pappas?

Mr. DiCARLO. No.

Mr. NELLIS. Did you know that these people, all of them, had given statements to the chief of police naming you, Caputo, and Aeillo as operating as muscle men in their bookie business when you came to Youngstown?

Mr. Mock. I object.

The CHAIRMAN. Let's see if he knows that or not.

Mr. DiCARLO. You asked me if I knew that happened? No, I don't.

Mr. NELLIS. You don't know that?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Did you know that Cavallaro told the chief of police in a signed statement on April 8, 1948, that DiCarlo and Caputo and Aeillo muscled in on his business?

Mr. Mock. I object to that for the very same reasons that all of these things have been gone over and threshed over a dozen times in the courts, Senator, and the very names that——

The CHAIRMAN. Mr. Mock, this is not a court.

Mr. Mock. I understand that, but he has certain rights in any judicial tribunal or any inquiry.

The CHAIRMAN. We are trying to find what people do, how they operate.

Mr. Mock. You are trying to find out the old cat that is still in the closet for Chief Allen.

The CHAIRMAN. Mr. Mock, we want to get along with you, but you are going to have to cooperate.

Mr. Mock. I am willing to cooperate.

The CHAIRMAN. You remember the question. Did you know that, Mr. DiCarlo.

Mr. DiCARLO. Will you ask me that again.

The CHAIRMAN. Mr. Stenographer, read the question.

(Question read by reporter.)

Mr. DiCARLO. No, sir.

Mr. NELLIS. You didn't know that?

Mr. DiCARLO. How would I know?

Mr. NELLIS. Well, did you?

Mr. DiCARLO. No.

Mr. NELLIS. You didn't know?

Mr. DiCARLO. No.

Mr. NELLIS. You said you didn't know Manley, didn't you?

Mr. DiCARLO. Yes.

Mr. NELLIS. Did you know that Aeillo told Manley that there was a new partnership in his bookie joint effective a few days before Christmas 1947?

Mr. DiCARLO. No.

Mr. Mock. Wait a minute. I object to the form of the question, what he told somebody else.

The CHAIRMAN. He said he didn't know about it, and I doubt if that is a question this witness would know about.

Mr. NELLIS. Isn't it a fact that when you came to Youngstown your principal business was to muscle in on the bookie joints in town?

Mr. Mock. Objection.

Mr. DiCARLO. No.

Mr. NELLIS. Is that right?

Mr. MOCK. Well, go ahead and answer.

Mr. DiCARLO. What do you want me to tell you?

Mr. NELLIS. I asked you the question: Wasn't it a fact that your principal business when you arrived in Youngstown was to muscle in on the local bookies and take part of their income?

Mr. DiCARLO. Well, whose quotation is that?

Mr. NELLIS. I am asking—

Mr. CHAIRMAN. That is the question being asked you, Mr. DiCarlo.

Mr. DiCARLO. No, sir.

Mr. NELLIS. Did you engage in the bookie business when you were in Youngstown?

Mr. DiCARLO. No, sir.

Mr. NELLIS. You have never been in the bookie business?

Mr. DiCARLO. Not myself; no.

The CHAIRMAN. Well, I mean in association with people.

Mr. DiCARLO. I refuse to answer that, Senator.

The CHAIRMAN. The question is: Were you in association with other people in the bookie business in Youngstown in the last, well, I guess, 7 years?

Mr. DiCARLO. I refuse to answer.

The CHAIRMAN. You are directed to answer.

Mr. DiCARLO. I refuse to answer on my constitutional rights.

Mr. NELLIS. I would like to enter these statements in evidence, Senator, and identify them as statements given by the persons mentioned, Manley, Aeillo—

The CHAIRMAN. Well, Mr. Nellis, we cannot put them in the record as of this time. Do you want to file them for identification, for reference?

Mr. NELLIS. That is what I want to do.

The CHAIRMAN. They will not become part of the record at this time.

Mr. NELLIS. They are simply for identification in connection with this witness.

The CHAIRMAN. They have not been proven as to who took the statements.

Mr. MOCK. And especially any statement that was taken when he wasn't present wouldn't be competent.

The CHAIRMAN. Well, unless we can get proof where the statements came from, they will not be put in.

Mr. MOCK. That's right.

Mr. NELLIS. Do you know Anthony Milano?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Do you know James Licavoli?

Mr. DiCARLO. Yes.

Mr. NELLIS. How well do you know him?

Mr. DiCARLO. Just know him.

Mr. NELLIS. What is his business?

Mr. DiCARLO. I wouldn't know.

Mr. NELLIS. Have you ever been in business with him?

Mr. DiCARLO. No.

Mr. NELLIS. Ray Lanese?

Mr. DiCARLO. No.

Mr. NELLIS. You don't know him?

Mr. DiCARLO. Yes; I know Lanese.

Mr. NELLIS. Have you been in business with him in Florida?

Mr. DiCARLO. No.

Mr. NELLIS. Do you know Willie Moretti?

Mr. DiCARLO. No.

Mr. NELLIS. Never met him?

Mr. DiCARLO. No.

Mr. NELLIS. What is your brother's name?

Mr. DiCARLO. Sam.

Mr. NELLIS. Sam DiCarlo?

Mr. DiCARLO. That's right.

Mr. NELLIS. Do you know Joseph Profaci?

Mr. DiCARLO. No.

Mr. NELLIS. Ignazio Italiano?

Mr. DiCARLO. No.

Mr. NELLIS. Charles San Filippo?

Mr. DiCARLO. No.

Mr. NELLIS. James Murabello?

Mr. DiCARLO. No.

Mr. NELLIS. Do you know that these persons were arrested here in Cleveland, along with about 20 other persons, including your brother, Sam, at a raid on the Statler Hotel?

Do you know about that?

Mr. MOCK. I object to it.

Mr. DiCARLO. What was that——

The CHAIRMAN. If he knows.

Mr. MOCK. Well, he isn't his brother's keeper, either, Senator.

The CHAIRMAN. Well, doesn't necessarily involve him unless we show something.

Did you say you knew about it or not?

Mr. DiCARLO. Well, I recall something about it, but I don't think that——

Mr. MOCK. That is enough.

Mr. DiCARLO. I just don't remember.

Mr. NELLIS. And your brother was arrested in that raid with Vincent Mangano. Do you know him?

Mr. DiCARLO. No.

Mr. NELLIS. Or Frank Aeillo?

Mr. DiCARLO. No.

Mr. NELLIS. You don't know any of these people?

Mr. DiCARLO. No.

Mr. NELLIS. What did your brother tell you about being here at that time?

Mr. MOCK. Wait a minute. Just a minute. That last question you asked, "You don't know any of these people?" Who are you referring to?

The CHAIRMAN. Well, he mentioned the ones he knew and he didn't know.

Mr. MOCK. All right. Just so we understand each other.

Mr. NELLIS. Did your brother ever tell you anything about the circumstances of that raid?

Mr. DiCARLO. Could you tell me the date of that raid?

Mr. NELLIS. Yes. December 5, 1928.

Mr. DiCARLO. Well, I guess on December 5, 1928, I was in the penitentiary.

Mr. NELLIS. Didn't he ever write you or tell you about being picked up here in Cleveland?

Mr. DiCARLO. I don't think if he wrote to me the letter would be permitted—would be given to me.

Mr. NELLIS. Do you know Patrick Quigliano, alias Collins?

Mr. DiCARLO. No.

Mr. NELLIS. Do you know William Lupton, mayor of Niagara Falls?

Mr. DiCARLO. No.

Mr. NELLIS. Never met him?

Mr. DiCARLO. No.

Mr. NELLIS. I have no further questions at this time.

The CHAIRMAN. Mr. Halley, do you have any questions?

Mr. HALLEY. Yes.

Where were you born?

Mr. DiCARLO. Italy.

Mr. HALLEY. In what year?

Mr. DiCARLO. 1899.

Mr. HALLEY. When did you come to the United States?

Mr. DiCARLO. Why, I don't know. I don't remember.

Mr. NELLIS. Roughly; were you a young child?

Mr. DiCARLO. Around maybe 1906 or 1907. I mean, I wouldn't know the exact year.

Mr. HALLEY. Did somebody bring you?

Mr. DiCARLO. Yes.

Mr. HALLEY. Your parents?

Mr. DiCARLO. Yes.

Mr. HALLEY. In what city of the United States did you first live?

Mr. DiCARLO. New York.

Mr. HALLEY. What part of New York?

Mr. DiCARLO. Well, I was too young. I wouldn't remember.

Mr. HALLEY. Was it in the city of New York?

Mr. DiCARLO. I think it was, I'm not sure.

Mr. HALLEY. You were 9 or 10 years old.

Mr. DiCARLO. Well, I know, you see—I didn't go to school in Italy.

Mr. HALLEY. You would know whether you lived in Manhattan.

Mr. DiCARLO. I know I lived in New York, but I wouldn't know just where.

Mr. HALLEY. I mean, you do know whether you lived in Manhattan, Brooklyn, the Bronx, Queens, Staten Island.

Mr. DiCARLO. I will tell, at that time I didn't know that there was so many boroughs there.

Mr. HALLEY. How long did you live in New York?

Mr. DiCARLO. Off hand, I would say—well, I don't know—maybe a year, 2 years.

Mr. HALLEY. A year or 2 years?

Mr. DiCARLO. Yes, but I wouldn't know the exact time.

Mr. HALLEY. And then in a year or 2 years you never found out what borough you lived in, Mr. DiCARLO?

Mr. DiCARLO. I wasn't acquainted to the boroughs in them days. I mean, now I would know if I lived in New York or Brooklyn.

Mr. HALLEY. You were about 10 years old.

Mr. DiCARLO. Yes. Well, I don't remember.

Mr. HALLEY. You don't really expect me to believe that, do you?

Mr. DiCARLO. Do you want me to say New York if I don't remember?

Mr. HALLEY. Is that it, you don't remember, or you didn't ever know where you lived.

Mr. DiCARLO. I know we lived in New York. I really don't know where.

Mr. HALLEY. Where did you move after you left New York, if you know?

Mr. DiCARLO. Buffalo.

Mr. HALLEY. How long did you live in Buffalo?

Mr. DiCARLO. Up until—I don't know—1945 or 1946.

Mr. HALLEY. From about 1910?

Mr. DiCARLO. Maybe before that. I don't know if it is 1906 or 1907, around that, you know.

Mr. HALLEY. Did you go to school in Buffalo?

Mr. DiCARLO. I did.

Mr. HALLEY. Did you go to school in New York?

Mr. DiCARLO. No—I don't remember.

Mr. HALLEY. You don't remember?

Mr. DiCARLO. I don't remember going to school in New York.

Mr. HALLEY. Did you start in Buffalo in the first grade?

Mr. DiCARLO. Why, I guess I did.

Mr. HALLEY. You were a fairly big boy at that time, weren't you?

Mr. DiCARLO. Yes; I was—I must have been.

Mr. HALLEY. And you started in the first grade in Buffalo?

Mr. DiCARLO. Yes; I must have started in the first grade.

Mr. HALLEY. How long did you stay in school?

Mr. DiCARLO. Why, 10 or 12 years.

Mr. MOCK. Is this important at this time?

Mr. CHAIRMAN. I think it might be, Mr. Mock.

Mr. MOCK. Well, I beg your pardon.

The CHAIRMAN. I don't know the exact importance of it, but—

Mr. HALLEY. I am just trying to find out what kind of a guy Mr. DiCarlo is.

Mr. MOCK. I suppose he went to school.

Mr. HALLEY. The committee is entitled to that, don't you think?

Mr. MOCK. I think so.

Mr. HALLEY. When were you born? You said about 1898?

Mr. DiCARLO. I was born 1899, November 8.

Mr. HALLEY. You went to school for 10 or 12 years in Buffalo?

Mr. DiCARLO. Yes.

Mr. HALLEY. You came to this country when you were 8 or 9 years old?

Mr. DiCARLO. No. I was younger than that.

Mr. HALLEY. In 1906?

Mr. DiCARLO. Maybe 4 or 5 years old, I would say.

Mr. HALLEY. For or five years old?

Mr. DiCARLO. I don't know the exact year, but I would say off-hand 4 or 5 years old.

Mr. HALLEY. And then you went to Buffalo a year or two later?

Mr. DiCARLO. Well, I wouldn't know the exact—how long—I wouldn't know the exact time that we lived in New York. I would say maybe a couple of years.

Mr. HALLEY. So that you were only 6 years old when you went to Buffalo?

Mr. DiCARLO. Six or seven years old, I guess.

Mr. HALLEY. And you started school there?

Mr. DiCARLO. That's right.

Mr. HALLEY. And you went through school how far in Buffalo?

Mr. DiCARLO. I went to the first year in high school.

Mr. HALLEY. Then what did you do?

Mr. DiCARLO. Then what did I do?

Mr. HALLEY. Yes.

Mr. DiCARLO. I went in business with my father.

Mr. HALLEY. What business was that?

Mr. DiCARLO. Restaurant business.

Mr. HALLEY. How long did you stay in the restaurant business?

Mr. DiCARLO. I stayed in the restaurant business until 1924. The early part of 1924 would be about right.

Mr. HALLEY. Then what business did you go in?

Mr. DiCARLO. Well, I had a misfortune. I went to jail.

Mr. HALLEY. What was that for?

Mr. DiCARLO. Why, the counselor—I told the counselor.

Mr. HALLEY. Would you mind telling me?

Mr. DiCARLO. Why, I don't know. Conspiracy, I told him, I guess.

Mr. HALLEY. What? A liquor conspiracy?

Mr. DiCARLO. No.

Mr. HALLEY. What kind of a conspiracy?

Mr. DiCARLO. He said it was intimidating, if I——

Mr. NELLIS. I didn't say it; you said it.

Mr. DiCARLO. You read it out of the record. I didn't say it.

Mr. NELLIS. You agreed it was in the record.

Mr. HALLEY. Let's not have an altercation.

Mr. MOCK. Will just one of you counselors ask the question?

Mr. HALLEY. Yes. One at a time, please.

What did you go to jail for?

Mr. DiCARLO. All I know is conspiracy.

Mr. HALLEY. Conspiracy to do what?

Mr. DiCARLO. Why, he just read it out. He said intimidating, if I'm not mistaken.

Mr. HALLEY. In connection with what?

Mr. DiCARLO. Why, I just wouldn't know—what do you mean?

Mr. MOCK. He means what was it with reference to, a lawsuit, whatever it is.

Mr. DiCARLO. No.

Mr. HALLEY. How did you get into that situation as a result of which you went to jail?

What were you doing at the time?

Mr. MOCK. For the purpose of the record, I object to it again because I can't see how it would be in any way connected with this case, something that happened in a local affair, again.

The CHAIRMAN. Of course, Mr. Mock, everything has got to happen somewhere.

Mr. MOCK. That's right, but if it involves intimidation, as I understand the word, why, I can't see how it would affect interstate commerce.

The CHAIRMAN. We will have to see. Anyway, go ahead.

Mr. HALLEY. You also had an assault conviction, didn't you, in Buffalo?

Mr. MOCK. I wonder if we might see the record and then maybe we can help ourselves.

Mr. HALLEY. Sure. There is no objection.

Mr. DiCARLO. Is it all right for me to look at it, too?

Mr. HALLEY. Of course; yes.

The CHAIRMAN. Sure.

Mr. MOCK. Now, Senator.

The CHAIRMAN. All right, Mr. Mock, what is it?

Mr. MOCK. I would like to hand you back the record, and if Mr. Halley will take it and look at January 2, 1924, Mr. DiCarlo was then sentenced for 6 years at Atlanta, which he already told you about. Now, if he was sentenced for 6 years, I understand there was some question of the appeal and things of that kind, and then 4-16-25, evidently there is some mistake, but it is all the same crime. In other words, the 6 years there in Chillicothe in some way for intimidation.

Mr. DiCARLO. I wasn't sentenced to Chillicothe. I was transferred to Chillicothe.

Mr. HALLEY. I would presume it was different towns on an indictment for the same offense. That would be my judgment from my experience with matters of this type.

Mr. MOCK. I think it grows out of the same offense.

Mr. HALLEY. Apparently there was an assault in connection with intimidating a witness of some kind.

Now, what I am trying to find out from you, Mr. DiCarlo, now that your memory is refreshed, who were you trying to intimidate and why?

Mr. MOCK. Well, I object to that, because it is remote; it is of no importance to this Commission at this time. He has served—now, wait a minute. He has served his penalty, and it was strictly a local matter, and—

Mr. HALLEY. May I be heard on that? I think it is important to make the point, Mr. Chairman.

Governor Lausche testified here at the start of this hearing and voiced something the committee has found again and again, that certain types of criminals don't seem to get convicted because witnesses are intimidated to such an extent that it is impossible to prosecute. And whether this happened in 1924 or in 1950, as long as it happened in connection with this witness, it is relevant and very important to this investigation, Mr. Chairman.

Mr. MOCK. Well then, if the man was convicted of intimidation of a witness, then there certainly couldn't be any offense grow out of that or couldn't be any damage done to the complaining parties.

The CHAIRMAN. All right. Well, who was it you were alleged to have intimidated and what was—

Mr. DiCARLO. Why, I denied that. I didn't assault anybody and I didn't intimidate anybody.

The CHAIRMAN. But you got convicted for it?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. Was it in connection with a narcotics case?

Mr. DiCARLO. I wouldn't know.

Mr. HALLEY. Well, was the witness you were dealing with somebody who was being charged with a narcotics violation?

Mr. DiCARLO. Why, counsel, I didn't plead guilty to that charge; I was found guilty. I still maintain I was innocent of that charge although the courts convicted me.

Mr. HALLEY. What is the charge of which you were innocent?

Mr. DiCARLO. Offhand, I just don't know.

Mr. HALLEY. Wasn't it intimidating a witness in a narcotics case?

Mr. DiCARLO. Well, I have told you, counsel, I still maintain up until today that I was innocent of the charge.

The CHAIRMAN. I know, but what is the charge?

Mr. DiCARLO. The charge against me was intimidating.

Mr. HALLEY. In connection with a narcotics case?

Mr. DiCARLO. Well, I wouldn't know.

Mr. HALLEY. How long did you serve, after 1924? How long were you in jail?

Mr. MOCK. Well, I object to it; it is remote, immaterial, irrelevant, and incompetent.

Mr. HALLEY. Well, the record shows he was released in 1928. You served about 4 years?

Mr. DiCARLO. I was released in 1928.

Mr. MOCK. I object to it for the same reason, that I can't see how it would have any materiality; just for the purpose of the record, Senator, is all I want to have.

The CHAIRMAN. All right.

Mr. HALLEY. Then what business did you go into after you were released?

Mr. DiCARLO. I didn't do much for a while and then I went into the amusement business.

Mr. HALLEY. Well, what form of amusement business were you in?

Mr. DiCARLO. Why, I was in the vending-machine business. I had cigarette machines and music boxes.

Mr. HALLEY. Did you have any slot machines?

Mr. DiCARLO. No sir.

Mr. HALLEY. And what other business have you been in in Buffalo, since 1928 and up to 1945?

Mr. DiCARLO. That is all, amusement business.

Mr. HALLEY. Well, what forms of the amusement business?

Mr. DiCARLO. I answered it.

Mr. HALLEY. Just cigarette machines?

Mr. DiCARLO. That is all, and music boxes.

Mr. HALLEY. And music boxes?

Mr. DiCARLO. That is right.

Mr. HALLEY. No other businesses?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Were you ever in any gambling business in Buffalo?

Mr. MOCK. Wait a minute; I object to it.

The CHAIRMAN. You are directed to answer the question.

Mr. DiCARLO. Why, I refuse to answer that question, Counselor.

The CHAIRMAN. All right. You are directed to answer and you refuse to answer.

Mr. HALLEY. Now, in 1945, you decided to leave Buffalo; is that right?

Mr. Mock. I object to it, for the reason that it has already been answered by the other attorneys in answer to your question.

The CHAIRMAN. Well, the fact is that in about 1945 he did leave Buffalo?

Mr. Mock. He did leave Buffalo and the claim is he came to Cleveland and——

The CHAIRMAN. Well, let's let him testify.

Mr. Mock. Well, I am objecting. It is already in the record.

The CHAIRMAN. Well, Mr. Mock, some of your objections are getting facetious and we are wasting a lot of time with some objections which have no foundation.

Mr. Mock. I don't intend to be facetious.

The CHAIRMAN. The question says in 1945 he decided to leave Buffalo. I assume he decided to leave, because he did leave. So I can't see why you would object to him answering.

Mr. Mock. On the places that he has already answered is all.

The CHAIRMAN. All right, Mr. Mock, if you will withhold further comment.

Mr. Mock. I am sorry, Senator.

The CHAIRMAN. The question is 1945 you decided to leave Buffalo; is that right?

Mr. DiCARLO. That is right; around 1945, 1946.

Mr. HALLEY. Now, who did you know in Youngstown at that time?

Mr. DiCARLO. Why, I refuse to answer that question, Counselor.

The CHAIRMAN. What was the question?

Mr. DiCARLO. He wants to know who I knew in Youngstown.

Mr. HALLEY. At the time you went from Buffalo to Youngstown.

Mr. DiCARLO. Well, I knew a few fellows around there.

Mr. HALLEY. Well, who did you know there?

Mr. DiCARLO. I refuse to answer that question.

The CHAIRMAN. You are directed to answer it.

Mr. HALLEY. At that time, did you know anybody named Joseph Aeillo?

Mr. DiCARLO. No, sir.

Mr. HALLEY. You did not know him?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Did you know anybody named Milano at that time?

Mr. DiCARLO. No, sir.

Mr. HALLEY. You had never met any of the Milano family?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Did you know any of the Licavoli family?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. Who did you know of the Licavoli family?

Mr. DiCARLO. Pete Licavoli, Jack Licavoli.

Mr. HALLEY. How long had you known Pete Licavoli?

Mr. DiCARLO. Offhand I would say 25 years.

Mr. HALLEY. And where did you meet him?

Mr. DiCARLO. I met him in Buffalo.

Mr. HALLEY. And how long had you known Jack Licavoli?

Mr. DiCARLO. Well, I would say about the same time.

Mr. HALLEY. Did you know James Licavoli?

Mr. DiCARLO. No, sir.

Mr. HALLEY. At that time, did you know Al Polizzi?

Mr. DiCARLO. Slightly.

Mr. HALLEY. Where and how had you met him?

Mr. DiCARLO. Why, I met him, I think the first time I met him was in Cleveland.

Mr. HALLEY. Did you know at that time Frank Brancato?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Did you know any of the Angersola brothers at that time?

Mr. DiCARLO. Just one.

Mr. HALLEY. Who did you know?

Mr. DiCARLO. John.

Mr. HALLEY. Where did you meet him?

Mr. DiCARLO. I met him here in Cleveland.

Mr. HALLEY. Had you visited Cleveland from time to time before 1945?

Mr. DiCARLO. Oh, yes.

Mr. HALLEY. You had traveled extensively in the United States before 1945?

Mr. DiCARLO. Yes; I would say yes.

Mr. HALLEY. Had you done business in any other cities besides Buffalo, N. Y., before 1945?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Where did you visit? What cities of the United States had you visited before 1945?

Mr. DiCARLO. Do you want me to mention all the cities?

Mr. HALLEY. Well, let me try to short-cut it this way: You had been a frequent visitor at Miami, Fla.?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. And Cleveland?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. And Chicago?

Mr. DiCARLO. No, sir; I was in Chicago for a fight, the Louis-Braddock fight, if I am not mistaken.

Mr. HALLEY. When was that?

Mr. DiCARLO. Why, I would say 10, 12 years ago; I just don't recall the date.

Mr. HALLEY. You would return to New York City from time to time?

Mr. DiCARLO. You say do I go to New York City?

Mr. HALLEY. Before 1945, while you lived in Buffalo.

Mr. DiCARLO. Oh, yes.

Mr. HALLEY. And did you visit in New Orleans?

Mr. DiCARLO. No, never was in New Orleans in my life.

Mr. HALLEY. Have you ever been in Tampa?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Have you ever been in Tucson, Ariz.?

Mr. DiCARLO. No, sir.

Mr. HALLEY. You have never visited Pete Licavoli at his ranch?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Have you ever been in Hot Springs?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. Did you go there before 1945?

Mr. DiCARLO. Oh, yes; sure.

Mr. HALLEY. Frequently?

Mr. DiCARLO. Not frequently. I wouldn't say that. A couple of times.

Mr. HALLEY. Had you visited Los Angeles?

Mr. DiCARLO. I was there once.

Mr. HALLEY. San Francisco?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Had you ever been in Tia Juana, Mexico?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Now, do you know Joe Massey?

Mr. DiCARLO. Why, I just know of him. I wouldn't say I know him. I wouldn't know him if I saw him.

Mr. HALLEY. And do you know Charles Fischetti?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Or Rocco Fischetti?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Or Tony Accardo?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Do you know Joe Adonis?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Willie Moretti?

Mr. DiCARLO. No, sir.

Mr. HALLEY. He is sometimes called Willie Moore.

Mr. DiCARLO. No, sir.

Mr. HALLEY. You do not know. Do you know Frank Costello?

Mr. DiCARLO. No.

Mr. HALLEY. Now, in Cleveland, have you ever had any business dealings with Al Polizzi?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Have you ever had any with Jerry Milano?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Or Tony Milano?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Or with Fred, John, or George Angersola?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Have you ever had dealings with them in any other place beyond Cleveland?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Now, have you had business dealings with Joseph Aeillo?

Mr. DiCARLO. I refuse to answer that question.

Mr. MOCK. Just a minute.

The CHAIRMAN. You are directed to answer it. Do you refuse to answer?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. Have you had business dealings with Dominic Capudo?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. You have?

Mr. DiCARLO. Yes.

Mr. HALLEY. Where?

Mr. DiCARLO. Youngstown, Ohio.

Mr. HALLEY. And what was the nature of those business dealings?

Mr. DiCARLO. I refuse to answer that question.

Mr. HALLEY. Have you had business dealings with Charles Vicinni?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Mr. Chairman, do I understand that you have directed the witness to reply to the question about whether or not he had business dealings with Capudo?

Mr. MOCK. He has answered.

Mr. DiCARLO. I said "Yes."

Mr. HALLEY. But you refused to state what the dealings were.

Mr. DiCARLO. That is right.

The CHAIRMAN. And I directed you to answer.

Mr. DiCARLO. Yes; and I refused again.

Mr. MOCK. For the same reason as to the previous—

Mr. HALLEY. Have you had business dealings with Tony D'Allasandro?

Mr. DiCARLO. I don't even know who he is.

Mr. HALLEY. Have you had any dealings with Dick Tamburello?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Have you had any with Charles Caballero?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Have you ever stayed at the Wofford Hotel in Miami Beach?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. In what year did you stay at the Wofford Hotel at Miami Beach?

Mr. DiCARLO. Well, I would say offhand, I would think, 1947, 1946; that is about the only 2 years.

Mr. HALLEY. And what other hotels at Miami Beach do you stay at?

Mr. DiCARLO. Well, that is the only hotels I have stayed the last two times I have been there.

Mr. HALLEY. Well, have you ever been at any other hotel besides the Wofford?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. Well, what is that?

Mr. DiCARLO. Well, the Shoreham. And the Normandy, I guess I stayed one season.

Mr. HALLEY. The Normandy?

Mr. DiCARLO. I guess that is it. The Normandy.

Mr. HALLEY. But the last two times you stayed at the Wofford?

Mr. DiCARLO. That is right.

Mr. HALLEY. Who introduced you to the management at the Wofford?

Mr. DiCARLO. I didn't have to be introduced. I just checked in.

Mr. HALLEY. Well, you knew that John King was one of the owners, did you not?

Mr. DiCARLO. Well, it was rumored; I wouldn't swear to it.

Mr. HALLEY. Well, you saw John King down there, did you not?

Mr. DiCARLO. Yes, sir.

Mr. HALLEY. Did you meet Little Augie Pisano down there?

Mr. DiCARLO. Why, I saw him; I don't know him.

Mr. HALLEY. Didn't you ever say "Hello" to him?

Mr. DiCARLO. Well, maybe I said "Hello" to him.

Mr. HALLEY. Were you introduced to him?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Did you ever play cards in one of the large card games at the Wofford?

Mr. DiCARLO. No, sir.

Mr. HALLEY. How long were you at the Wofford in 1947?

Mr. DiCARLO. Oh, I don't know; a month.

Mr. HALLEY. And how long were you at the Wofford in 1946?

Mr. DiCARLO. Well, I would say a month.

Mr. HALLEY. A month in each case?

Mr. DiCARLO. Or maybe a week or 3 weeks or 5 weeks.

Mr. HALLEY. Were you there alone or with somebody else?

Mr. DiCARLO. With my family.

Mr. HALLEY. With your family?

Mr. DiCARLO. That is right.

Mr. HALLEY. Now, in Youngstown, what has been your business?

Mr. DiCARLO. Why, I refuse to answer that, counselor.

Mr. HALLEY. Were you working when you were in Miami or were you on vacation?

Mr. DiCARLO. Just vacationing.

Mr. HALLEY. During the season?

Mr. DiCARLO. That is right.

Mr. HALLEY. And do you have any legitimate business at this time?

Mr. DiCARLO. No, sir.

Mr. HALLEY. When have you last had a legitimate business?

Mr. DiCARLO. Well, let me see. I just don't know when I sold my business out. It must have been around 1938.

Mr. HALLEY. 1938?

Mr. DiCARLO. Yes.

Mr. HALLEY. What was your last legitimate business?

Mr. DiCARLO. The vending machine business.

Mr. HALLEY. The vending machine business?

Mr. DiCARLO. That is right.

Mr. HALLEY. From 1938 to 1945, did you have any legitimate business?

Mr. DiCARLO. Well, and then of course, for them years I was in jail, I guess, 2 or 3 years; I think it was 2 years.

Mr. HALLEY. I guess that was a legitimate occupation. What did you do the rest of the time?

Mr. DiCARLO. Well, I had a job in there, counselor.

Mr. HALLEY. Now, what did you do the rest of the time? Did you have any legitimate occupation?

Mr. DiCARLO. No, sir.

Mr. HALLEY. So that except for the period during which you were in jail, you had no legitimate occupation?

Mr. DiCARLO. I was out of work, counselor.

Mr. HALLEY. Well, out of work. You couldn't afford to spend a month at the Wofford Hotel in the season with your family, could you?

Mr. DiCARLO. Well, I—there is a lot of retired people go to Miami if I am not mistaken.

Mr. HALLEY. Are you a retired gentleman, Mr. DiCARLO?

Mr. DiCARLO. Well, not exactly. Right at the present time I am.

Mr. HALLEY. In any event, since 1938 you have been retired from legitimate activities?

Mr. DiCARLO. That is right.

Mr. HALLEY. I think that is all.

Mr. MOCK. Is that all, sir?

The CHAIRMAN. I think Mr. Nellis has one or two questions.

Mr. NELLIS. Do you own a home?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Do you have any real property?

Mr. DiCARLO. No, sir.

Mr. NELLIS. What do you estimate your net worth to be at this time?

Mr. DiCARLO. Nothing.

Mr. NELLIS. Zero?

Mr. DiCARLO. Zero.

Mr. NELLIS. Do you own a car?

Mr. DiCARLO. Yes.

Mr. NELLIS. What kind?

Mr. DiCARLO. A Cadillac.

Mr. NELLIS. What year?

Mr. DiCARLO. 1948.

Mr. NELLIS. Any other cars?

Mr. DiCARLO. No, sir.

Mr. NELLIS. Did you ever make any political contributions?

Mr. DiCARLO. No.

Mr. NELLIS. In any of the cities in which you have lived?

Mr. DiCARLO. No, sir.

Mr. NELLIS. No further questions.

The CHAIRMAN. What companies did you handle juke boxes for?

Mr. DiCARLO. Chippewa Amusement Co.

The CHAIRMAN. Out of Chicago, or where?

Mr. DiCARLO. No; it is my own—you said what companies did I do business with?

The CHAIRMAN. Yes.

Mr. DiCARLO. I guess Mills.

The CHAIRMAN. And what others?

Mr. DiCARLO. Oh, offhand I wouldn't know, Senator. My partner used to handle most of that buying.

The CHAIRMAN. Well, anyway, who was your partner?

Mr. DiCARLO. His name was Joe Anselloni.

The CHAIRMAN. Where does he live?

Mr. DiCARLO. Well, he has been away from Buffalo.

Mr. MOCK. He said where does he live?

Mr. DiCARLO. That is what I am going to answer.

The CHAIRMAN. Did he live in Buffalo?

Mr. DiCARLO. That is right.

The CHAIRMAN. Where does he live now?

Mr. DiCARLO. I wouldn't know. He has been gone from Buffalo the past 10 or 12 years. I don't know where he is.

Mr. MOCK. That is the answer.

The CHAIRMAN. Were you in business in Youngstown with Phil Rose?

Mr. DiCARLO. No, sir.

The CHAIRMAN. Solly Engel?

Mr. DiCARLO. No, sir.

The CHAIRMAN. Do you know them?

Mr. DiCARLO. Yes, sir; slightly.

The CHAIRMAN. Do you know Joe Mellik?

Mr. DiCARLO. Slightly.

The CHAIRMAN. Were you in business with him?

Mr. DiCARLO. No, sir.

The CHAIRMAN. Now, you did have a business interest in the Italian Village restaurant?

Mr. DiCARLO. Well, I was going in business there, and we had an agreement, but the deal never went through. I had a deposit up, but I withdrew from it before I got into it.

The CHAIRMAN. Wasn't one of Joe Massey's relatives in the business there?

Mr. DiCARLO. I wouldn't know.

Mr. HALLEY. That was Ray Lanese, wasn't it?

Mr. DiCARLO. I wouldn't know. I know Ray Lanese.

The CHAIRMAN. His wife is a niece of Joe Massey's, isn't she?

Mr. DiCARLO. Is she? I wouldn't know. I know Ray. I wouldn't know if they are related.

The CHAIRMAN. All right. I believe that is all.

Mr. HALLEY. May I ask one or two more questions?

Is Ray Lanese related to Louie Lanese, here in Cleveland?

Mr. DiCARLO. I wouldn't know him.

Mr. HALLEY. You wouldn't know that?

Mr. DiCARLO. Yes.

Mr. HALLEY. Do you know James Licavoli?

Mr. DiCARLO. Yes.

Mr. HALLEY. He was once in partnership with Louie Lanese, here in Cleveland, wasn't he?

Mr. DiCARLO. I don't know any of Jack Licavoli's business.

Mr. HALLEY. When he got out of jail, did he go into the storm-window business with Louie Lanese?

Mr. DiCARLO. I never heard—I am not interested.

Mr. HALLEY. Do you know Vincent Mangine?

Mr. DiCARLO. No.

Mr. HALLEY. Do you know Rose Licavoli, who is married to Vincent Mangine?

Mr. DiCARLO. Rose Licavoli? I don't know no Rose Licavoli. I think you have got that wrong, counselor.

Mr. HALLEY. Well, her real name is Rosaline.

Mr. DiCARLO. I don't know.

Mr. HALLEY. You don't know any Rosaline Licavoli?

Mr. DiCARLO. No, sir.

Mr. HALLEY. Do you know the whole family?

Mr. DiCARLO. The Licavoli family?

Mr. HALLEY. Yes.

Mr. DiCARLO. Well, I know Pete and Jack, and I know his sister Grace. That is about all.

Mr. HALLEY. Do you know his sister Rose?

Mr. DiCARLO. No; I don't.

Mr. HALLEY. When you say "Jack," do you mean James?

Mr. DiCARLO. Well, I don't know. I know him by Jack. It might be James.

Mr. HALLEY. Thank you.

Mr. DiCARLO. Thank you, Senator.

The CHAIRMAN. Mr. DiCarlo, you have to remain under continued subpoena of the committee, without serving any notices or subpoena, to be available if we want you again.

You have refused to answer certain questions, and I will have to make a recommendation that some appropriate action be made in connection therewith.

Mr. DiCARLO. Thank you, Senator.

Mr. MOCK. All right.

The CHAIRMAN. All right. Who is next?

I asked yesterday that Chief Allen furnish certain records about people about whom he testified and I think all these records at present will be made part of the record.

(The documents above referred to were previously identified as exhibit No. 63. See p. 240.)

The CHAIRMAN. Has Mr. May come in yet? Mr. George May?

Mr. McCORMICK. The only one who has showed up is Mr. Greenberg.

(The committee at this time heard the testimony of Alex Greenberg, Chicago, Ill., which is included in part 5 of the hearings of the committee.)

The CHAIRMAN. Mr. Licavoli, come around, please.

Gentlemen, we have got to get along very much faster than we have been, and I know it is the chairman's fault that we haven't.

Mr. Licavoli, will you come over here?

Do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. LICAVOLI. Yes, sir, I do.

The CHAIRMAN. Now, Counselor, what is your name, sir?

Mr. LAPOLLA. D. J. LaPolla, L-a-P-o-l-l-a.

The CHAIRMAN. Where are you an attorney at law?

Mr. LAPOLLA. Warren, Ohio.

The CHAIRMAN. Mr. Licavoli, what is your address?

Mr. LICAVOLI. 1953 East One Hundred and Twenty-first.

The CHAIRMAN. 1953 what?

Mr. LICAVOLI. East One Hundred and Twenty-first.

The CHAIRMAN. East a hundred and—

Mr. LICAVOLI. Twenty-first.

The CHAIRMAN. Warren, Ohio?

Mr. LICAVOLI. No; Cleveland.

The CHAIRMAN. Cleveland, Ohio?

Mr. LICAVOLI. Cleveland is my residence.

The CHAIRMAN. Cleveland.

All right, Mr. Nellis, let's get to it.

TESTIMONY OF JAMES LICAVOLI, CLEVELAND, OHIO, ACCOMPANIED BY D. J. LAPOLLA, ATTORNEY, WARREN, OHIO

Mr. NELLIS. Mr. Licavoli, have you ever been arrested?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. How many times?

Mr. LICAVOLI. I don't know. Many times.

Mr. NELLIS. Five? Ten?

Mr. LICAVOLI. I don't know; maybe 10, 20, I don't know.

Mr. NELLIS. It was at least 20, wasn't it?

Mr. LICAVOLI. Maybe more.

Mr. NELLIS. Did you ever go to jail?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. What crime?

Mr. LICAVOLI. 1945 I went to jail.

Mr. NELLIS. What crime?

Mr. LICAVOLI. Extortion.

Mr. NELLIS. Extortion?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. What were the facts of that, briefly? What were you convicted of? Who were you convicted of extorting something from?

Mr. LICAVOLI. That's in Toledo. I don't know. I copped a plea on extortion.

Mr. NELLIS. You did what?

Mr. LICAVOLI. I just copped a plea on extortion.

Mr. NELLIS. And you went to jail from—

Mr. LICAVOLI. From one to five.

Mr. NELLIS. One to five years; is that right? Were you paroled?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. What time was that?

Mr. LICAVOLI. In 1946.

Mr. NELLIS. Who was your sponsor for that parole?

Mr. LICAVOLI. Father McBride and I think Thompson was.

Mr. NELLIS. Who is Thompson?

Mr. LICAVOLI. A contractor.

Mr. NELLIS. Is he Forrest Thompson, of 631 Guardian Building?

Mr. LICAVOLI. I don't know. I think it is him.

Mr. NELLIS. From Cleveland, Ohio?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. Are you related to Pete Licavoli?

Mr. LICAVOLI. First cousin.

Mr. NELLIS. Are you related to Thomas Licavoli, also known as Yonnie?

Mr. LICAVOLI. Yes; first cousin.

Mr. NELLIS. Where is he?

Mr. LICAVOLI. He is up in Columbus.

Mr. LAPOLLA. I object. That's not pertinent to this cause here.

The CHAIRMAN. Mr. Counselor, I think it is; so your objection will be overruled.

Mr. NELLIS. You are related to Thomas?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. First cousin; is that right?

Mr. LICAVOLI. Yes.

Mr. NELLIS. Do you have any sisters?

Mr. LICAVOLI. Four sisters.

Mr. NELLIS. Will you give us their names, please?

Mr. LICAVOLI. Grace, Phyllis, Lena, and Anne.

Mr. NELLIS. Grace is married to Frank Cammerata; is that right?

Mr. LICAVOLI. No, sir. She is a cousin of mine.

Mr. NELLIS. She is a cousin of yours?

Mr. LICAVOLI. Yes.

The CHAIRMAN. Wait a minute, now. That is not clear.

Mr. LICAVOLI. Grace is related. That's Pete's sister.

Mr. NELLIS. Pete's sister, and she is a first cousin of yours; is that right?

Mr. LICAVOLI. First cousin.

Mr. NELLIS. The other sister Grace is married to whom?

Mr. LICAVOLI. She lives in St. Louis.

Mr. NELLIS. Who is she married to?

Mr. LICAVOLI. LeGrasso.

Mr. NELLIS. Pardon me?

Mr. LICAVOLI. LeGrasso.

Mr. NELLIS. You mentioned another sister, Rosalyn?

Mr. LICAVOLI. Phyllis—Phyllis Rollo.

Mr. NELLIS. What is her name?

Mr. LICAVOLI. Rollo.

Mr. NELLIS. Where does she live?

Mr. LICAVOLI. St. Louis.

Mr. NELLIS. Another sister?

Mr. LICAVOLI. Lena. She is Barberodo.

Mr. NELLIS. She is married to Barberodo?

Mr. LICAVOLI. In St. Louis.

Mr. NELLIS. Do you have a sister named Rosalyn?

Mr. LICAVOLI. Anne McDonald.

Mr. NELLIS. Pardon me?

Mr. LICAVOLI. McDonald. She is under the marriage by McDonald.

Mr. NELLIS. Who is she married to?

Mr. LICAVOLI. McDonald. St. Louis, too.

Mr. NELLIS. Don't you have a sister that is married to Vincent Mangine?

Mr. LICAVOLI. No.

Mr. NELLIS. Not your sister?

Mr. LICAVOLI. No.

The CHAIRMAN. Is it a relative?

Mr. LICAVOLI. No relation at all.

Mr. NELLIS. What is your business?

Mr. LA POLLA. I object, now.

Mr. LICAVOLI. I refuse to answer that.

Mr. NELLIS. What business have you been in?

The CHAIRMAN. Wait just a minute. Let's get this straight.

Mr. NELLIS. I am sorry, Mr. Chairman.

The CHAIRMAN. The question was, What is your business?

Mr. LA POLLA. We enter an objection, may it please the Senator.

Mr. LICAVOLI. I refuse to answer.

The CHAIRMAN. You are directed to answer. Do you refuse the direction of the Chair?

Mr. LICAVOLI. It tends to incriminate myself.

The CHAIRMAN. Let's get this straight.

Mr. LICAVOLI. My records show what it was.

The CHAIRMAN. Your records will show what?

Mr. LICAVOLI. My records, my books.

The CHAIRMAN. Will show what business you were in?

Mr. LICAVOLI. Yes.

The CHAIRMAN. You want to testify about your records?

Mr. LICAVOLI. No, sir.

The CHAIRMAN. Or these books?

Mr. LICAVOLI. No, I don't care to.

The CHAIRMAN. Mr. Counsellor, just exactly what is the objection?

Mr. LA POLLA. The objection is, may it please the Senator, that the question is not pertinent to the cause before this committee and his answer may tend to incriminate him.

The CHAIRMAN. Of what?

Mr. LA POLLA. Of a crime, of a crime that he may say he was involved in something else. At this time we do not care to answer to anything pertaining to what business you are in.

Mr. LICAVOLI. Well, Senator, excuse me. I refuse to answer all questions.

The CHAIRMAN. You refuse to answer all questions?

Mr. LICAVOLI. Yes.

The CHAIRMAN. Any and all questions?

Mr. LICAVOLI. Any questions, all questions.

Mr. LA POLLA. Anything pertaining to his business.

Mr. LICAVOLI. Business or not, I refuse to answer all questions.

The CHAIRMAN. Anyway, answer the question, what business you were in. The Chairman directs you to answer. You refuse to answer?

Mr. LICAVOLI. I refuse to answer.

Mr. NELLIS. What is the Girard Novelty Co.?

Mr. LICAVOLI. I refuse to answer that.

The CHAIRMAN. You are directed to.

Mr. LA POLLA. Refuse to answer.

Mr. LICAVOLI. I refuse to answer.

Mr. NELLIS. Do you know Mike Farah?

Mr. LICAVOLI. I refuse to answer.

The CHAIRMAN. You are directed to answer.

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. Isn't it a fact that you and Mike Farah and the Hanna brothers and John Peter Cupell are partners in the Girard Novelty Co.?

Mr. LICAVOLI. I refuse to answer.

The CHAIRMAN. You are directed to answer.

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. You refuse to answer?

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. Ask the question and state the place where it is alleged that the Girard Novelty Co. does business and what the alleged nature of the business is.

Mr. NELLIS. Girard Novelty Co. is——

The CHAIRMAN. Ask it in the form of a question.

Mr. NELLIS. Is the Girard Novelty Co. located at 303 Robbins Avenue, Niles, Ohio?

Mr. LICAVOLI. I refuse to answer.

The CHAIRMAN. Where?

Mr. NELLIS. Niles, Ohio.

The CHAIRMAN. You are directed to answer, Mr. Licavoli.

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. You refuse to answer?

Mr. LICAVOLI. Yes.

The CHAIRMAN. Did you ever hear of Girard Novelty Co.?

Mr. LICAVOLI. I refuse to answer that.

The CHAIRMAN. The chairman directs you to answer that question. What is the nature——

Mr. LICAVOLI. I refuse.

Mr. LA POLLA. We object to it.

The CHAIRMAN. Let me ask the question.

Mr. LA POLLA. I am sorry, sir.

Mr. LICAVOLI. I refuse to answer.

The CHAIRMAN. You don't know what the question is yet, Mr. Licavoli.

Mr. LICAVOLI. Well, I don't have to answer that.

The CHAIRMAN. You mean whatever question it is going to be you don't want to answer?

Mr. LICAVOLI. Pertaining to my business, I don't care to answer it.

The CHAIRMAN. Well, I will ask the question, anyway. What is the nature of the business of the Girard Novelty Co.?

Mr. LICAVOLI. I refuse to answer.

Mr. LA POLLA. We object.

The CHAIRMAN. You are directed to answer. You refuse?

Mr. LICAVOLI. (Nodding head affirmatively.)

The CHAIRMAN. Proceed, Mr. Nellis.

Mr. NELLIS. What is the Triangle Novelty Co. at Warren?

Mr. LICAVOLI. I refuse to answer that, too.

The CHAIRMAN. You are directed to answer.

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. Do you refuse?

Mr. LICAVOLI. (Nodding head affirmatively.)

The CHAIRMAN. Sir?

Mr. LICAVOLI. I do refuse.

The CHAIRMAN. We have got to get it on the record.

Mr. LICAVOLI. I refuse to answer.

Mr. NELLIS. Did you ever hear of the Triangle Novelty?

Mr. LICAVOLI. I refuse to answer it.

Mr. NELLIS. Did you know—

The CHAIRMAN. Well, now, Mr. Counselor and Mr. Licavoli, can we have this agreement, that the usual procedure—

Mr. LICAVOLI. Senator, anything that pertains to the business I don't care to answer.

The CHAIRMAN. Well, I know, but wait. Let me ask this. The usual procedure is that a question is asked, you refuse to answer, then it is the duty of the chairman to order or direct you to answer, and then it is the refusal to follow the directions of the chairman that is the basis for some kind of action. Can we have an understanding that unless the Chair withdraws the questions or orders the question to be withdrawn, that if you refuse to answer, then it will be understood that the Chair will have ordered you to answer and that you refuse to follow the orders of the Chair?

Mr. LA POLLA. The record may so stipulate.

The CHAIRMAN. You understand that, Mr. Licavoli, do you?

Mr. LICAVOLI. I don't understand it.

Mr. LA POLLA. It means—

The CHAIRMAN. You don't understand it? Well, we had better—do you understand it, Mr. Counsel?

Mr. LA POLLA. I understand that anything pertaining to your business, why, you don't care to answer it?

Mr. LICAVOLI. I don't care to answer it.

The CHAIRMAN. I am just trying to prevent going through the ceremony of ordering him to answer a question.

Mr. LA POLLA. It will be denied, refused, Senator.

The CHAIRMAN. Do you understand?

Mr. LICAVOLI. Yes.

The CHAIRMAN. You say you do?

Mr. LICAVOLI. I do.

The CHAIRMAN. All right.

Mr. NELLIS. Do you know Vincent "Doc" Mangine?

Mr. LICAVOLI. I do.

Mr. NELLIS. Were you in a business with him in 1947?

Mr. LICAVOLI. No business. I worked for him.

Mr. NELLIS. What was his business at that time?

Mr. LICAVOLI. Tavern.

Mr. NELLIS. Pardon me?

Mr. LICAVOLI. A saloon he had.

Mr. NELLIS. A saloon. Was that a business which Lonardo, Satullo, and Joe Artwell were partners in?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. What is the Wagon Wheel?

Mr. LICAVOLI. That's a saloon; it is a bar.

Mr. NELLIS. It is a saloon?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. Going back to your parole from prison, do you recall when that was?

Mr. LICAVOLI. Yes, sir, in 1945.

Mr. NELLIS. Where did you go after you were paroled?

Mr. LICAVOLI. I went to Vincent Mangine's home. I worked for him managing the restaurant downstairs and the parole officer told me I can't work in no bar, so I worked for—I got in business for Alseo Storm Window Co. in 1946.

Mr. NELLIS. Alseo?

Mr. LICAVOLI. Yes.

Mr. NELLIS. Prior to going to live with Doc Mangine, did you live with Jerry Milano?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. On Dorothy Avenue?

Mr. LICAVOLI. On Dorothy Avenue.

Mr. NELLIS. What is his business?

Mr. LICAVOLI. I can't recall.

Mr. NELLIS. How long have you known him?

Mr. LICAVOLI. I know him for quite a while.

Mr. NELLIS. You know Anthony Milano?

Mr. LICAVOLI. I heard of him; yes, sir.

Mr. NELLIS. Have you met him?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Never met him?

Mr. LICAVOLI. I seen him, I know of him, say "Hello" to him, if it is important, grocery store he has got.

Mr. NELLIS. Then after you left Milano's home, you went to live with Doc Mangine, is that right?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. Is this Forrest Thompson in any way connected with Al Polizzi, do you know?

Mr. LICAVOLI. At that time; no.

Mr. NELLIS. Is he now?

Mr. LICAVOLI. I don't know.

Mr. NELLIS. Did you hear that he testified here yesterday that they were in business together?

Mr. LICAVOLI. I didn't pay no attention to it.

Mr. NELLIS. But you heard it, didn't you? You know that?

Mr. LICAVOLI. No, sir.

The CHAIRMAN. All right. We know what the testimony was.

Mr. NELLIS. Did you also know that he testified that Mangine was in business with him there?

Mr. LA POLLA. We object to that line of questioning, sir, not pertinent.

The CHAIRMAN. What did the witness say?

Mr. LA POLLA. He didn't answer yet.

The CHAIRMAN. Read the question.

(Question read.)

The CHAIRMAN. Do you know it or not?

Mr. LICAVOLI. I don't know.

Mr. NELLIS. And that Thompson, Mangine, and Polizzi were engaged in the construction business?

Mr. LA POLLA. I object to that question, Senator.

The CHAIRMAN. I think I will sustain the objection because we have got the record here, unless the witness knows something about it.

Mr. NELLIS. I am asking him whether he knows.

The CHAIRMAN. Do you know anything about it? Just answer whether you know anything about it.

Mr. LICAVOLI. I don't know. I didn't pay no attention to that.

Mr. NELLIS. Is this the same Forrest Thompson who sponsored your parole in 1946?

Mr. LICAVOLI. Which one?

Mr. NELLIS. Who is connected with Al Polizzi.

Mr. LICAVOLI. I don't know if he is connected or not. I know there is a Thompson sponsored my parole.

Mr. NELLIS. Is he the same Forrest Thompson?

Mr. LICAVOLI. I couldn't tell you. I don't know.

The CHAIRMAN. Let's get at the matter. Where was he living when he sponsored your parole?

Mr. LICAVOLI. Well, Nick Mangine is the one that sponsored my parole. Forrest Thompson, I don't know the man.

The CHAIRMAN. You don't know him?

Mr. LICAVOLI. No, I don't know him.

The CHAIRMAN. Did he have anything to do with your parole, writing any letters for you?

Mr. LICAVOLI. I don't know if he did or not.

The CHAIRMAN. Offered to give you a job if you got out; was that part of it?

Mr. LICAVOLI. That's part of it. Somebody wrote, Nick Mangine was telling me, some contractor.

The CHAIRMAN. Take your hand away from your mouth. Some contractor was going to give you a job when you got out?

Mr. LICAVOLI. Yes.

The CHAIRMAN. Is that correct?

Mr. LICAVOLI. That's right.

The CHAIRMAN. Was that Mr. Thompson, do you know?

Mr. LICAVOLI. I don't know if it is him. If I see him I would know.

Mr. HALLEY. May I try to clarify that for a moment?

When you were released from prison, you were paroled; is that right?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. In order to be paroled you had to have somebody sponsor you?

Mr. LICAVOLI. Sponsor, that's right.

Mr. HALLEY. And you talked to somebody about getting a sponsor?

Mr. LICAVOLI. Well, my lawyer did.

Mr. HALLEY. To whom did your lawyer talk?

Mr. LICAVOLI. He must have talked to Thompson and Father McBride.

Mr. HALLEY. He talked to Mangine, didn't he?

Mr. LICAVOLI. That's Nick Mangine. That's the lawyer.

Mr. HALLEY. Nick Mangine?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Is he related to——

Mr. LICAVOLI. That is a brother of Vincent Mangine.

Mr. HALLEY. He said he would get you a sponsor?

Mr. LICAVOLI. A sponsor, yes.

Mr. HALLEY. You had never seen Thompson in your life, is that right, up to this time?

Mr. LICAVOLI. Well, if I would see the picture, I would see him, I would know if I would or not.

Mr. HALLEY. Did you know Thompson when he sponsored you?

Mr. LICAVOLI. No; I didn't know Thompson when I was sponsored.

Mr. HALLEY. That's right. Then when you did get out of prison, did you go to work for Thompson?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. What did you do instead?

Mr. LICAVOLI. I worked for the Wagon Wheel. I talked to my parole officer and he said it was all right for me to go to work at the maintenance of the restaurant in the Wagon Wheel.

Mr. HALLEY. At the Wagon Wheel?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Who was your employer there?

Mr. LICAVOLI. I don't know the employer.

Mr. HALLEY. You don't know who gave you the job?

Mr. LICAVOLI. Oh, Mangine, Vincent Mangine.

Mr. HALLEY. Vincent Mangine gave you the job?

Mr. LICAVOLI. Yes; that's right.

Mr. HALLEY. Then you went to live with Vincent Mangine as well?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. How long did you live with Vincent Mangine?

Mr. LICAVOLI. Until about 1949.

Mr. HALLEY. Until about 1949?

Mr. LICAVOLI. Yes.

Mr. HALLEY. Where did Mangine live?

Mr. LICAVOLI. He lived 83—2383 Kingston Road.

Mr. HALLEY. Did he ever go to Florida, do you know?

Mr. LICAVOLI. He went to Florida.

Mr. HALLEY. Did he have a business in Florida?

Mr. LICAVOLI. I don't know if he had or not.

Mr. HALLEY. Did you ever go to Florida?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. He never took you with him?

Mr. LICAVOLI. Never went.

Mr. HALLEY. Did you also go to work for Louis Lanese?

Mr. LICAVOLI. Yes, sir; that's in the storm-window business.

Mr. HALLEY. What?

Mr. LICAVOLI. Storm-window business.

Mr. HALLEY. Storm-window business. How did you know Louis Lanese?

Mr. LICAVOLI. Through Doc—the lawyer, Nick Mangine.

Mr. HALLEY. Through Nick Mangine?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Had you met Louis Lanese previously?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Ray Lanese?

Mr. LICAVOLI. Ray Lanese; yes, sir.

Mr. HALLEY. He is related to Louis Lanese, isn't he?

Mr. LICAVOLI. No, no, sir.

Mr. HALLEY. No relation at all?

Mr. LICAVOLI. No relation at all.

Mr. HALLEY. Is Ray Lanese related to you?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. He runs the Italian Village restaurant, doesn't he?

Mr. LICAVOLI. I knew him in Cleveland.

Mr. HALLEY. In Miami?

Mr. LICAVOLI. I don't know if he does or not. I know Ray through Cleveland.

Mr. HALLEY. You knew him in Cleveland?

Mr. LICAVOLI. Yes.

Mr. HALLEY. How did you meet Ray Lanese?

Mr. LICAVOLI. He had a dry-cleaning place on Euclid.

Mr. HALLEY. When was that?

Mr. LICAVOLI. Oh, I say in 1944 or 1943 or 1944.

Mr. HALLEY. After you got out of prison did you ever get to meet Forrest Thompson at all?

Mr. LICAVOLI. I met him a few times.

Mr. HALLEY. Where did you meet him?

Mr. LICAVOLI. Met him in the Wagon Wheel.

Mr. HALLEY. Who introduced you to Lanese—I mean Mangine?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Vincent Mangine?

Mr. LICAVOLI. Yes.

Mr. HALLEY. No further questions.

Mr. NELLIS. Have you ever been in any legitimate business?

Mr. LICAVOLI. Legitimate business outside of storm-window business.

Mr. NELLIS. When were you in the stock-market business?

The CHAIRMAN. Storm-window business.

Mr. LICAVOLI. Storm windows.

Mr. NELLIS. Storm-window business. Is that the only one?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. How have you earned your living?

Mr. LICAVOLI. How did I earn my living?

Mr. NELLIS. How did you earn your living? How long were you in that business with the AlSCO Co.?

Mr. LICAVOLI. One year.

Mr. NELLIS. One year? What year was that?

Mr. LICAVOLI. '47.

Mr. NELLIS. How have you earned your living since then?

Mr. LICAVOLI. Since when?

Mr. NELLIS. Since 1947.

Mr. LICAVOLI. I refuse to answer that question.

Mr. NELLIS. How are you earning your living now?

The CHAIRMAN. Do we understand—

Mr. LAPOLLA. We have the understanding, that's right, Senator.

The CHAIRMAN. He is directed to answer the question.

Mr. LAPOLLA. That's right, Senator.

Mr. NELLIS. How are you earning your living now?

Mr. LICAVOLI. I refuse to answer the question.

Mr. NELLIS. Have you ever been in California?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Arizona?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. Where did you go in Arizona?

Mr. LICAVOLI. Went to my cousin's ranch. I went to Pete's ranch, my cousin's ranch.

Mr. NELLIS. Where is that?

Mr. LICAVOLI. That's in Tucson.

Mr. NELLIS. What kind of a place is it?

Mr. LICAVOLI. It is a ranch.

Mr. NELLIS. What does he do on it? Raise horses?

Mr. LICAVOLI. I don't know what he does. He don't raise no horses. He has got a few horses.

Mr. NELLIS. Does he have a private landing field there—

Mr. LICAVOLI. No, sir.

Mr. NELLIS. For private aircraft?

Mr. LICAVOLI. I couldn't tell you that. I don't know.

Mr. NELLIS. Have you ever been in Mexico?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Do you know Jack Dragna?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. The Fischetti brothers?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. You know Joe DiCarlo, don't you?

Mr. LICAVOLI. Yes.

Mr. NELLIS. How long have you known him?

Mr. LICAVOLI. Quite a while.

Mr. NELLIS. How long?

Mr. LICAVOLI. I don't know, quite a while.

Mr. NELLIS. Did you know him before he came to Youngstown?

Mr. LICAVOLI. Yes.

Mr. NELLIS. What was his business in Buffalo?

Mr. LICAVOLI. I couldn't tell you.

Mr. NELLIS. How did you know him before he came to Youngstown? Who introduced you to him?

Mr. LICAVOLI. I don't know how I met him. I can't recall.

Mr. NELLIS. You remember where?

Mr. LICAVOLI. No.

Mr. NELLIS. Did you go up to Youngstown?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. To Buffalo?

Mr. LICAVOLI. No.

Mr. NELLIS. Did he meet you here in Cleveland?

Mr. LICAVOLI. I met him at the fights a few times.

Mr. NELLIS. Where?

Mr. LICAVOLI. Fights.

Mr. NELLIS. Where? What city?

Mr. LICAVOLI. Cleveland here.

Mr. NELLIS. He came down here?

(Mr. Licavoli nodding head affirmatively.)

Mr. NELLIS. Did you ever discuss with him the possibilities of his moving out of Buffalo, N. Y.?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Did you have anything to do with bringing him down to Cleveland?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Did you have anything to do with setting him up in business in Youngstown?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Did you ever hear what his business was there?

(Mr. Licavoli shaking head negatively.)

Mr. NELLIS. Were you in business with him while he was in Youngstown?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. At any time?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Has he given you any money since 1945?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Never?

Mr. LICAVOLI. Never.

Mr. NELLIS. Do you know Joe Massey?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. When did you meet him?

Mr. LICAVOLI. I know him from Detroit. Oh, it is quite a while ago. I don't know how long, a long time ago.

Mr. NELLIS. A long time. Have you been up to Detroit to see him?

Mr. LICAVOLI. I have been to Detroit but not to see him, Joe Massey, to see my aunt and relations.

Mr. NELLIS. Did you ever meet him in Toledo, Ohio?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Never saw him there?

Mr. LICAVOLI. Never saw him.

Mr. NELLIS. Do you know Joseph Profaci?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Do you know Sam DiCarlo?

Mr. LICAVOLI. Sam DiCarlo?

Mr. NELLIS. Yes.

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Joseph DiCarlo's brother Sam.

Mr. LICAVOLI. I don't know him.

Mr. NELLIS. You don't know him?

Mr. LICAVOLI. Oh, you mean Toto? They call him—yes, sir, I know him.

Mr. NELLIS. He is known as Toto?

Mr. LICAVOLI. Toto.

Mr. NELLIS. Which one is known as Toto?

Mr. LICAVOLI. Sam is. My mistake.

Mr. NELLIS. Where did you meet him?

Mr. LICAVOLI. I met him in Toledo.

Mr. NELLIS. How long ago?

Mr. LICAVOLI. Oh, quite a while ago.

Mr. NELLIS. Have you had any business dealings with him?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Of any sort?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. Do you know Frank Brancato?

Mr. LICAVOLI. Yes, sir.

Mr. NELLIS. How long have you known him?

Mr. LICAVOLI. Quite a while.

Mr. NELLIS. Who introduced you to him?

Mr. LICAVOLI. Who introduced me, I don't know. I can't remember who introduced him.

Mr. NELLIS. What is his business?

Mr. LICAVOLI. I couldn't tell you.

Mr. NELLIS. Do you know Rocco Russo?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Never met him?

Mr. LICAVOLI. No.

Mr. HALLEY. Do you know Frank Cammerata?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Is he a relation of yours?

Mr. LICAVOLI. He is a relation through marriage; yes, sir.

Mr. HALLEY. Have you ever been in business with him?

Mr. LICAVOLI. No.

Mr. HALLEY. Do you know Mike and Louie Carriere?

Mr. LICAVOLI. Yes.

Mr. HALLEY. Who are they?

Mr. LICAVOLI. I just know them. I don't know——

Mr. HALLEY. What is their business?

Mr. LICAVOLI. I couldn't tell you.

Mr. HALLEY. Have you ever been in business with them?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Were you ever a member of a gang called the Eagen's Rats in St. Louis?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. You came from St. Louis, didn't you?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Did you ever hear of a gang called Eagen's Rats?

Mr. LICAVOLI. I did.

Mr. HALLEY. What was their business?

Mr. LICAVOLI. I couldn't tell you.

Mr. HALLEY. When did you come here from St. Louis? When did you come here from St. Louis?

Mr. LICAVOLI. Here from St. Louis?

Mr. HALLEY. When did you move?

Mr. LICAVOLI. I left St. Louis in 1926.

Mr. HALLEY. In 1926 you moved to Cleveland, is that right?

Mr. LICAVOLI. No; I didn't. To Detroit.

Mr. HALLEY. To Detroit?

Mr. LICAVOLI. Yes.

Mr. HALLEY. How long did you live there?

Mr. LICAVOLI. To 1929 in Detroit.

Mr. HALLEY. And you moved from Detroit to Cleveland, is that right?

Mr. LICAVOLI. Toledo.

Mr. HALLEY. Toledo. How long did you live there?

Mr. LICAVOLI. About 3 years, then went back to Detroit.

Mr. HALLEY. You went back to Detroit——

Mr. LICAVOLI. And——

Mr. HALLEY. Go ahead.

Mr. LICAVOLI. Then I come back to Cleveland. I come in Cleveland in '38.

Mr. HALLEY. And you have had a continuous residence in this city more or less since that time?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. And you have earned your living here, whatever it is, is that right?

Mr. LICAVOLI. That's right.

Mr. HALLEY. Do you know John Murabella?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Who is he?

Mr. LICAVOLI. I just know him.

Mr. HALLEY. Where is he from?

Mr. LICAVOLI. He is out of the same town I am.

Mr. HALLEY. Pardon me.

Mr. LICAVOLI. He is out of St. Louis.

Mr. HALLEY. Did you ever hear that he was arrested here in Cleveland in 1928?

Mr. LICAVOLI. I couldn't tell you that. I don't know.

Mr. HALLEY. With a group of other gentlemen from other parts of the country?

Mr. LICAVOLI. That is something I couldn't tell you. I don't know. As far as knowing him, I know him.

Mr. HALLEY. Pardon me.

Mr. LICAVOLI. As far as knowing him, I know him. I couldn't tell you if he was arrested or not.

Mr. HALLEY. Have you ever had any business dealings with him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. When was the last time you saw him?

Mr. LICAVOLI. Last time I saw him must have been about 14 years ago.

Mr. HALLEY. You haven't seen him since then?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Didn't you visit him in St. Louis recently?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. You were down there, weren't you?

Mr. LICAVOLI. Yes, sir. I visited my people down there.

Mr. HALLEY. Sometime in December?

Mr. LICAVOLI. No—December?

Mr. HALLEY. 1950. Did you go down to St. Louis?

Mr. LICAVOLI. My father passed away.

Mr. HALLEY. You went to a funeral?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Did you ever hear of the Purple Gang?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Never heard of it?

(Mr. Licavoli shakes head negatively.)

Mr. HALLEY. Did you ever read about it in the papers?

Mr. LICAVOLI. I read about it in the papers, but I never heard of it.

Mr. HALLEY. You read about it in the papers, but you never heard of it?

Mr. LICAVOLI. I read it, but I never heard——

Mr. HALLEY. What is your answer?

Mr. LICAVOLI. Well, I heard it.

Mr. HALLEY. You heard about it, didn't you?

Mr. LICAVOLI. All right.

Mr. HALLEY. Sure, you did.

Who did you hear were members of that gang?

Mr. LICAVOLI. I can't tell you. I don't know.

Mr. HALLEY. Did you ever discuss that with your cousin?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Ever discuss it with Yonnie?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Thomas J. McGinty?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Morris Kleinman?

Mr. LICAVOLI. I know Morris.

Mr. HALLEY. How well do you know him?

Mr. LICAVOLI. Not so good.

Mr. HALLEY. When did you meet him?

Mr. LICAVOLI. I met him on a golf course.

Mr. HALLEY. Who introduced you?

Mr. LICAVOLI. Nobody.

Mr. HALLEY. You just walked up to him and said "Hello"?

Mr. LICAVOLI. No. I met him, and just met him on the golf course.

Mr. HALLEY. How do you meet these people?

Mr. LICAVOLI. I don't know how I meet them. I meet so many. I don't know.

Mr. HALLEY. When I meet someone I am either introduced or I walk up and tell them my name. How do you meet them?

Mr. LICAVOLI. I just happened to be playing golf and ran into him.

Mr. HALLEY. And you just introduced each other: is that right?

Mr. LICAVOLI. That's right.

Mr. HALLEY. Do you know Moe Dalitz?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Never met him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Louis Rothkopf?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Where did you meet him?

Mr. LICAVOLI. In the fights I met him.

Mr. HALLEY. Did you ever have any business dealings?

Mr. LICAVOLI. No business dealings.

Mr. HALLEY. With any of these people?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Chuck Polizzi?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. How long have you known him?

Mr. LICAVOLI. For quite a while.

Mr. HALLEY. Have you had any business dealings with him?

Mr. LICAVOLI. No dealings with him.

Mr. HALLEY. Of any sort?

(Mr. Licavoli shakes head negatively.)

Mr. HALLEY. Did you ever go into any gambling ventures with him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Have you ever been in gambling ventures with anyone else?

Mr. LICAVOLI. I refuse to answer that question.

Mr. HALLEY. You refuse to answer that question?

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. Anything else?

Mr. NELLIS. That is all I have.

The CHAIRMAN. Mr. Halley?

Mr. HALLEY. Were you ever wounded by a bullet?

Mr. LICAVOLI. Wounded by a bullet?

Mr. HALLEY. Yes.

(Mr. Licavoli shakes head affirmatively.)

Mr. HALLEY. Were you ever shot?

Mr. LICAVOLI. Yes.

Mr. HALLEY. When and where?

Mr. LICAVOLI. That was in St. Louis.

Mr. HALLEY. In St. Louis?

Mr. LICAVOLI. Yes.

Mr. HALLEY. Who shot you?

Mr. LICAVOLI. A police officer.

Mr. HALLEY. A police officer?

(Mr. Licavoli shakes head affirmatively.)

Mr. HALLEY. How did that happen?

Mr. LICAVOLI. I don't know. Just shot at us.

Mr. HALLEY. He shot at you?

Mr. LICAVOLI. He shot at us.

Mr. HALLEY. He shot at you. Did you shoot back at him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Were you arrested on that occasion?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Did you go to the hospital?

Mr. LICAVOLI. Yes; I went to the hospital.

Mr. HALLEY. Were you ever wounded on any other occasions?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. How many times were you arrested in St. Louis?

Mr. LICAVOLI. St. Louis? I don't know. I couldn't—maybe a dozen times, maybe two dozen; I don't know.

Mr. HALLEY. Maybe two dozen?

Mr. LICAVOLI. Yes. I couldn't—

Mr. HALLEY. I have the record here from Detroit, Mr. Licavoli, and it shows that in Detroit you were arrested 22 times; not quite 2 dozen; would that be about right?

Mr. LICAVOLI. It might be. You got the figures. Figures don't lie.

Mr. HALLEY. Have you been arrested in Toledo?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. How many times?

Mr. LICAVOLI. I can't tell you. Maybe two or three times in Toledo.

Mr. HALLEY. Have you been arrested in Cleveland?

Mr. LICAVOLI. A couple of times.

Mr. HALLEY. And in Columbus, that is where you—

Mr. LICAVOLI. Done time, yes, sir.

Mr. HALLEY. For the blackmail?

(Mr. Licavoli shakes head affirmatively.)

Mr. HALLEY. In all these arrests you were convicted once in 1925 and fined \$100; is that right?

Mr. LICAVOLI. That's right.

Mr. HALLEY. And again you got a \$4 fine for a traffic violation, and that is the only traffic violation on these.

Mr. Licavoli, reading this Detroit record I see an arrest for robbery, another for robbery, another for robbery.

Mr. LICAVOLI. I mean when they lock you up, they are liable to put anything on there.

Mr. HALLEY. Were you ever arrested for kidnapping?

Mr. LICAVOLI. They put on kidnapping. They put everything on when you get marked up over there.

Mr. HALLEY. You have been arrested for murder, too?

Mr. LICAVOLI. That's right.

Mr. HALLEY. On more than one occasion, isn't that right?

Mr. LICAVOLI. That's right.

Mr. HALLEY. That's right, isn't it?

(Mr. Licavoli shakes head affirmatively.)

Mr. HALLEY. And you have been arrested for violation of the customs law?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Were you sentenced to Leavenworth once for 1 to 3 months for violation of the prohibition law?

Mr. LICAVOLI. That's right.

Mr. HALLEY. Were you in the bootlegging racket?

Mr. LICAVOLI. I refuse to answer that question.

Mr. HALLEY. In any event, you went to Leavenworth in 1929 for violating the prohibition law?

Mr. LICAVOLI. That's right.

Mr. HALLEY. How well do you know Al Polizzi?

Mr. LICAVOLI. How well do I know him?

Mr. HALLEY. Yes, sir.

Mr. LICAVOLI. I just know him, that's all.

Mr. HALLEY. Do you know whether or not there was a deal made whereby Thompson would be put in the building business with Mangine and Polizzi as a reward for his going sponsor on your parole?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Thompson did go sponsor on your parole?

Mr. LICAVOLI. He did, but that ain't got nothing to do with Polizzi.

Mr. HALLEY. You say you don't know whether or not Thompson was in business with Polizzi?

Mr. LICAVOLI. That's right.

Mr. HALLEY. That is something we know.

Mr. LICAVOLI. Well, I don't know.

Mr. HALLEY. That is all.

The CHAIRMAN. What did you do when you went to Toledo? What did you do down in Toledo?

Mr. LICAVOLI. I don't know what I did down there. I can't remember.

The CHAIRMAN. Sir?

Mr. LICAVOLI. I can't remember what I did down there.

The CHAIRMAN. You were there 3 years?

Mr. LICAVOLI. Yes, sir..

The CHAIRMAN. That is about when? When was that—well, you first were in St. Louis and you got in a good deal of trouble in St. Louis, didn't you?

Mr. LICAVOLI. I refuse to answer that.

The CHAIRMAN. Sir?

Mr. LICAVOLI. I refuse to answer that.

The CHAIRMAN. Well, you were arrested in St. Louis a number of times. Did you know a fellow named Eagen out there?

Mr. LICAVOLI. No, sir. That is before my time. I was nothing but a kid then.

The CHAIRMAN. And then from St. Louis you went to Detroit?

Mr. LICAVOLI. Yes.

The CHAIRMAN. When did you leave Detroit to go to Toledo?

Mr. LICAVOLI. About 1930 or 1931; I'm not sure.

The CHAIRMAN. Then you stayed in Toledo until about 1934?

Mr. LICAVOLI. 1933 or 1934 they brought me back to Detroit.

The CHAIRMAN. Did you have anything to do with any night clubs in Toledo?

Mr. LICAVOLI. No, sir.

The CHAIRMAN. Did you engage in any gambling activity in Toledo?

Mr. LICAVOLI. No, sir.

The CHAIRMAN. What did you do down there?

Mr. LICAVOLI. Nothing.

The CHAIRMAN. Nothing?

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. Just there?

Mr. LICAVOLI. Just there.

The CHAIRMAN. No business at all?

Mr. LICAVOLI. No, sir.

The CHAIRMAN. Then from Toledo you came to Cleveland?

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. How long did you stay in Cleveland?

Mr. LICAVOLI. Well, I went back to Detroit.

The CHAIRMAN. You went to Detroit. When did you come then to Cleveland?

Mr. LICAVOLI. In 1938.

The CHAIRMAN. And you have been here ever since?

Mr. LICAVOLI. Yes; ever since.

The CHAIRMAN. Do you go to Florida sometimes?

Mr. LICAVOLI. No, sir.

The CHAIRMAN. Never have been down there?

Mr. LICAVOLI. No, sir.

The CHAIRMAN. Hot Springs?

Mr. LICAVOLI. Hot Springs, went there about two or three times, Hot Springs.

The CHAIRMAN. Where do you stay in Hot Springs?

Mr. LICAVOLI. Well, I stayed over at the Pullman Hotel once.

The CHAIRMAN. Do you have an automobile, Mr. Licavoli?

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. What kind?

Mr. LICAVOLI. Pontiac.

The CHAIRMAN. How many cars have you got?

Mr. LICAVOLI. One.

The CHAIRMAN. I am just interested, Mr. Licavoli—I don't know whether you want to talk about it or not—but you have had quite a record, and how do you get started on this? How did you get started?

Mr. LICAVOLI. I can't tell you.

The CHAIRMAN. I am just interested from the viewpoint of whether it was lack of opportunity as a kid, or whether you grew up in the wrong neighborhood, or didn't get a chance.

Mr. LICAVOLI. That is something I can't answer. I can't tell you what happened.

Maybe it is the name; that's all.

The CHAIRMAN. Well, I suppose——

Mr. LICAVOLI. It could be the name. They hear Licavoli, that's all; something happens, Licavoli.

The CHAIRMAN. What I mean is, of course, you started out with a very good name at the time you started.

Did you go to school when you were a kid?

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. How far along did you go?

Mr. LICAVOLI. I went to about the fourth grade.

The CHAIRMAN. Read and write pretty well?

Mr. LICAVOLI. Fair.

The CHAIRMAN. Then, after you got pushed out of the fourth grade, what did you start doing?

Mr. LICAVOLI. Just nothing—went to work for a while for my father.

The CHAIRMAN. What did he do?

Mr. LICAVOLI. He had a fruit business.

The CHAIRMAN. He had a fruit business?

Mr. LICAVOLI. Yes. At the Union Market.

The CHAIRMAN. How long did you work for him?

Mr. LICAVOLI. I worked for him about 4 or 5 years.

The CHAIRMAN. Then, did you meet some bad associates and get started in this game?

Mr. LICAVOLI. I don't know. I can't tell you what happened. I can't remember that far back.

The CHAIRMAN. I really think it is a sort of sad situation.

I think that these records have been referred to. They ought to be put in the record.

Mr. HALLEY. I would like them put in evidence, Mr. Chairman. I would like the following records put in evidence: First, the record relating to the parole of this witness on the sponsorship of Forest Thompson; and, second, two sets of criminal records of this witness, and I ask that they be made exhibits not only to his testimony but also to the testimony of Al Polizzi.

Mr. LAPOLLA. Objection for the record.

The CHAIRMAN. They will be received and made part of the record. Anything else?

(Records referred to are identified as exhibit No. 71, and are on file with the committee.)

Mr. NELLIS. You have a brother John?

Mr. LICAVOLI. That's right.

Mr. NELLIS. Is that right?

Mr. LICAVOLI. Yes.

Mr. NELLIS. He came from Detroit in 1947; didn't he?

Mr. LICAVOLI. That's right.

Mr. NELLIS. He came to Ohio, and went to work at the Jungle Inn; didn't he?

Mr. LICAVOLI. I don't know.

Mr. NELLIS. He went to work there as a bartender for the Farah Bros.?

Mr. LICAVOLI. That is something I don't know.

Mr. NELLIS. Weren't you instrumental in putting him in there?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. You were a business partner with the Farahs; weren't you?

Mr. LICAVOLI. I didn't say I was a business partner.

Mr. NELLIS. Were you?

Mr. LICAVOLI. No, sir.

Mr. NELLIS. You were not?

Mr. LICAVOLI. I refuse to answer that question.

Mr. NELLIS. How long did he work there?

Mr. LICAVOLI. I can't tell you that.

Mr. NELLIS. I have no other questions.

The CHAIRMAN. I believe you were born in Sicily and you came over here as a kid?

Mr. LICAVOLI. No. I am an American citizen.

The CHAIRMAN. You were born in this country?

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. What are you, about 49 years old?

Mr. LICAVOLI. 46.

The CHAIRMAN. Where were you born?

Mr. LICAVOLI. St. Louis in 1904.

The CHAIRMAN. Mr. Licavoli, you will have to remain under subpoena subject to further action of the committee. That is all.

Mr. LAPOLLA. Thank you, Senator.

Mr. MARMORSTEIN. Mr. Senator, may I have 1 minute of your time, please?

The CHAIRMAN. If you will state your name.

Mr. MARMORSTEIN. My name is Max Marmorstein.

The CHAIRMAN. All right, sir. Do you want to make a statement?

Mr. MARMORSTEIN. Just one statement, sir.

The CHAIRMAN. Well, sit down, sir.

Mr. MARMORSTEIN. It will just take me 1 minute. I was subpoenaed to appear here at 10 o'clock this morning. I flew in from Key West, Fla.

The CHAIRMAN. If you are going to testify——

Mr. MARMORSTEIN. No; I am not going to testify, sir. I wrote you a letter on December—November the 6——

The CHAIRMAN. The rule of our committee is that, if you give testimony or make some statement before the committee other than as a counsel, I will have to ask you to be sworn.

Mr. MARMORSTEIN. Well, unfortunately I am not a lawyer.

The CHAIRMAN. Will you stand and be sworn?

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MARMORSTEIN. I do.

TESTIMONY OF MAX MARMORSTEIN, CLEVELAND, OHIO

The CHAIRMAN. This is Max Marmorstein [spelling] M-a-r-m-o-r-s-t-e-i-n, 502 Ninth-Chester Building, Cleveland.

Real estate?

Mr. MARMORSTEIN. That's right.

The CHAIRMAN. All right.

Mr. MARMORSTEIN. On your hearing in Miami Beach sometime ago on page 56 of the official transcript, there was a Mr. Sullivan, I believe, that testified——

The CHAIRMAN. Let's get the matter right. Daniel Sullivan, the operating director of the Greater Miami Crime Commission?

Mr. MARMORSTEIN. Yes. On page 56, Senator, he testified that——

Max Marmorstein is a hotel operator from Cleveland, Ohio. He maintains his office in the Ninth-Chester Building of Cleveland, Ohio, and his telephones were taken out of the office in 1943 because they were connected with gambling operations. The building is the headquarters for Empire News.

Senator, all I want—as I said, I only want to take 1 minute of your time. I want to put these records of mine in your files, where my office was not in the Ninth-Chester Building in 1943 or 1944. That is Federal Housing Administration letters, bank letters, United States Treasury Department letters, and others verifying that my office was in the Guardian Building, and my telephones were never disconnected from any office that I ever had in the city of Cleveland.

Mr. HALLEY. Did you own or have any connection with Ninth-Chester Building?

Mr. MARMORSTEIN. In 1943; no, sir.

Mr. HALLEY. Or at any time?

Mr. MARMORSTEIN. After 1945 I did.

Mr. HALLEY. What was your connection with it?

Mr. MARMORSTEIN. I bought the building.

Mr. HALLEY. From whom did you buy it?

Mr. MARMORSTEIN. From an estate, I believe. It was Acme Realty Co., some people connected with the Bailey Co. that owned it.

Mr. HALLEY. What company?

Mr. MARMORSTEIN. The Bailey Co.

Mr. HALLEY. Who with the Bailey Co.?

Mr. MARMORSTEIN. Oh, Sunshine, I believe. And I don't remember, two other fellows.

Mr. HALLEY. Have you had any transaction with those people prior to the purchase of that building? Any business transaction?

Mr. MARMORSTEIN. The people I bought it from? No.

Mr. HALLEY. Have you had any connections or business transactions relating to the building prior to your purchase?

Mr. MARMORSTEIN. No; never did.

Mr. HALLEY. No mortgages or loans of any kind?

Mr. MARMORSTEIN. No; nothing.

Mr. HALLEY. You made a loan to Tom McGinty?

Mr. MARMORSTEIN. Yes; I did.

Mr. HALLEY. Under what circumstances?

Mr. MARMORSTEIN. Oh, he asked me if I could loan him some money; he wanted to go in some enterprise, and I said I would be glad to.

Mr. HALLEY. When was this?

Mr. MARMORSTEIN. Oh, I think it was in the fall of 1949.

Mr. HALLEY. Did he tell you what enterprise he wanted to go into?

Mr. MARMORSTEIN. Well, he told me he was figuring on building a hotel, or something, out West.

Mr. HALLEY. Did he tell you what kind of hotel?

Mr. MARMORSTEIN. He told me it was a hotel.

Mr. HALLEY. Did he tell you where?

Mr. MARMORSTEIN. I believe he did. He told me it was in Las Vegas.

Mr. HALLEY. And did he tell you with whom he was going to be associated?

Mr. MARMORSTEIN. No; he did not.

Mr. HALLEY. Did you ask him any questions?

Mr. MARMORSTEIN. No; I didn't.

Mr. HALLEY. How long have you been in the real-estate business?

Mr. MARMORSTEIN. Oh, since 1914.

Mr. HALLEY. Then you are familiar with hotel operation?

Mr. MARMORSTEIN. I am, sir.

Mr. HALLEY. To your knowledge, has McGinty ever been in any hotel operations before?

Mr. MARMORSTEIN. No.

Mr. HALLEY. Now, when he came to you and asked you for money, did he ask you for a specific sum?

Mr. MARMORSTEIN. I believe he asked me if I could give him \$25,000 or \$50,000. I told him that I couldn't spare \$50,000, but I could loan him \$25,000.

Mr. HALLEY. And what did you give him?

Mr. MARMORSTEIN. I believe I gave him a check for it.

Mr. HALLEY. I think he has testified you gave him \$50,000. Is the correct sum \$25,000?

Mr. MARMORSTEIN. No, I did not. I only gave him \$25,000.

Mr. HALLEY. \$25,000?

Mr. MARMORSTEIN. That is right.

Mr. HALLEY. And at that time, did you know McGinty's background and occupation?

Mr. MARMORSTEIN. Oh, yes. I have known him for 25 years.

Mr. HALLEY. Did you know he was in the gambling business?

Mr. MARMORSTEIN. I didn't know he was in the gambling business. I know him years ago, when he was in the fight-promoting business, and bicycle races, and so on. I had read in the newspapers that he had some gambling establishment he was connected with; but, outside of that, I don't know what.

Mr. HALLEY. What collateral did you get from your \$25,000?

Mr. MARMORSTEIN. I got a note from him.

Mr. HALLEY. Well, a note isn't collateral, of course.

Mr. MARMORSTEIN. No; no collateral, just a note.

Mr. HALLEY. You just loaned him \$25,000 on his note?

Mr. MARMORSTEIN. On his note; that is right.

Mr. HALLEY. And without any knowledge of the transaction he was going into.

Mr. MARMORSTEIN. Without any knowledge; that is right.

Mr. HALLEY. Now, of course, you would know that he couldn't build a hotel for \$25,000?

Mr. MARMORSTEIN. He asked me if I could give him more, but I said I couldn't. I couldn't spare it.

Mr. HALLEY. So you had every reason to expect he was borrowing more from other people?

Mr. MARMORSTEIN. Well, that I couldn't state, but he did; he needed more money.

Mr. HALLEY. And did you make any effort to find out the total that he borrowed?

Mr. MARMORSTEIN. No; I did not. I had been sort of off work for the last 15 months; I had been in and out of hospitals, and I never asked him anything.

Mr. HALLEY. Well, of course, the time at which you would make the inquiry would be before you made the loan.

Mr. MARMORSTEIN. Well, I wouldn't inquire. If I had the money, I would loan Mr. McGinty \$500,000 if I had the money.

Mr. HALLEY. Have you been in the practice of lending large sums of money to people without collateral?

Mr. MARMORSTEIN. Yes. If I know a man, I don't ask for collateral.

Mr. HALLEY. Could you name some other loans you have made of comparable size without collateral?

Mr. MARMORSTEIN. Well, I made some loans for my brother-in-law for \$20,000, I remember, one time, without collateral.

Mr. HALLEY. Well, let's leave your family out of it. You are not related to McGinty; are you?

Mr. MARMORSTEIN. No; I am not related to him.

Mr. HALLEY. I am not, either.

And when did you ever lend any money to anybody you weren't related to, without collateral?

Mr. MARMORSTEIN. Well, I'll have to think. I did lend some money without collateral to other people, too, but——

Mr. HALLEY. Nothing like \$25,000?

Mr. MARMORSTEIN. Oh, yes.

Mr. HALLEY. Well, you just think about it. Who did you lend it to?

Mr. MARMORSTEIN. Well, I loaned—yes, I am glad you asked me. Now, I lent \$25,000 to this world's fair that—it wasn't a world's fair; it was a fair that they promoted in Chicago about a year ago.

Mr. HALLEY. And that was McGinty again?

Mr. MARMORSTEIN. No, no. You asked me who I loaned money to. Now, I am trying to—there is no McGinty in there. It was Sam Aranoff, the president of Albert Pick & Co., came to me and asked if I would loan him \$25,000 or \$50,000 because they was up against it; it was some fair. I don't recall the name. That was on in Chicago last summer, where the European—all the nations from Europe had an exhibit, and it was a Government-sponsored exhibit, but it was promoted by some Chicago fellows, business people.

Mr. Aranoff asked me whether I would loan him \$25,000 for 3 or 6 months, with a good rate of interest.

They had no collateral; all they had was a promise from these European nations that they are going to hold this fair in Chicago, at the Navy pier, I believe it was.

So I didn't have quite \$25,000, but I did loan them \$10,000 without a note, without anything, and then about a week or two later, when they got up against it worse, I loaned them another \$15,000, so it made it a total of \$25,000. And they paid it back to me after the fair was either over or about the time fair was in process.

Mr. HALLEY. Now, what did they tell you about the fair?

Mr. MARMORSTEIN. Well, all they told me, that they were short of money, and they knew that I had money, and they'd like to have me make them a loan.

Mr. HALLEY. Now, who were the other people besides Aranoff?

Mr. MARMORSTEIN. Well, other people was all the business people in Chicago was back of it.

Mr. HALLEY. Which business people?

Mr. MARMORSTEIN. Well, like Marshall Fields, like all the hotels, all the Hilton Hotels, like the Congress Hotel, who was owned by individuals, and the Morrison Hotel. All the hotels.

Mr. HALLEY. In short, you had made some inquiries to find out what you were lending your money for?

Mr. MARMORSTEIN. Oh, yes; sure.

Mr. HALLEY. Now, what inquiry did you make in this case where you loaned \$25,000 to Mr. McGinty?

Mr. HALLEY. You didn't inquire anything?

Mr. HALLEY. You didn't inquire anything?

Mr. MARMORSTEIN. No. He asked me if I could loan him \$25,000 or \$50,000, and I said, "Well, I can't loan you fifty, but I could spare twenty-five thousand." That is all.

Mr. HALLEY. And you did that without inquiry?

Mr. MARMORSTEIN. No, I didn't inquire; no. He told me what he wanted it for.

Mr. HALLEY. He just said a hotel proposition?

Mr. MARMORSTEIN. He told me that he was going into a hotel deal in Las Vegas, and he was short of money.

Mr. HALLEY. And you made no further inquiry?

Mr. MARMORSTEIN. No.

Mr. HALLEY. Had you loaned any other sums to McGinty?

Mr. MARMORSTEIN. No.

Mr. HALLEY. Have you ever invested any money in any hotels in Miami Beach?

Mr. MARMORSTEIN. Myself; yes, a lot of them.

Mr. HALLEY. Well, what hotels?

Mr. MARMORSTEIN. Well, back in 1936 or 1937, I invested some money in the Wofford Hotel—no, not the Wofford, pardon me. That was—

The CHAIRMAN. The Raleigh?

Mr. HALLEY. The Sands?

Mr. MARMORSTEIN. No, the first hotel was the Fleetwood Hotel. That was my first one. That was the first hotel I invested in.

Then about—oh, that was a lease; it wasn't a purchase. We took a 10-year lease on it.

Mr. HALLEY. What other hotels?

Mr. MARMORSTEIN. I had interests in?

Mr. HALLEY. That you invested in?

Mr. MARMORSTEIN. I only invested in that hotel.

Mr. HALLEY. Did you ever invest in the Wofford Hotel?

Mr. MARMORSTEIN. No.

Mr. HALLEY. Or lend any money to anybody?

Mr. MARMORSTEIN. No. I represented some people that owned the Wofford Hotel.

Mr. HALLEY. Who did you represent?

Mr. MARMORSTEIN. Johnny King.

Mr. HALLEY. Johnny King?

Mr. MARMORSTEIN. Yes.

Mr. HALLEY. In what connection did you represent Johnny King?

Mr. MARMORSTEIN. Well, I had a contract here with him. Would you like to have me submit the contract?

Mr. HALLEY. You can submit it or tell the committee.

Mr. MARMORSTEIN. Well, I could refresh my memory a little what day it was, because I have a contract with him.

Mr. HALLEY. Are you an attorney?

Mr. MARMORSTEIN. No, I am not. I am a real-estate businessman.

Mr. HALLEY. In what capacity did you represent King?

Mr. MARMORSTEIN. I represented King—he had a 10-year lease with a fellow by the name of Tom Cassera, on the Wofford Hotel, and in the meantime they started to build another hotel called the Raleigh Hotel.

Mr. HALLEY. Did you represent him in the Raleigh deal, too?

Mr. MARMORSTEIN. That is right. So they got into some trouble financially.

Mr. HALLEY. Well, their credit wasn't much good because of their reputation; isn't that a fact?

Mr. MARMORSTEIN. Well, at that time I had never met Cassera before. I knew nothing about it.

Mr. HALLEY. Well, you knew about King, didn't you?

Mr. MARMORSTEIN. I knew about King.

Mr. HALLEY. And you knew he had a bad reputation?

Mr. MARMORSTEIN. Well, I won't say I knew he had a bad reputation. I knew him around town when he was a young fellow. He didn't have a bad reputation then.

Mr. HALLEY. At what age? Five or six?

Mr. MARMORSTEIN. No; when he was about 20 or 22.

Mr. HALLEY. Well, he was beginning to get a bad reputation pretty fast at that time, wasn't he?

Mr. MARMORSTEIN. Well, he done pretty well since.

Mr. HALLEY. You mean in illegal activities?

Mr. MARMORSTEIN. Evidently so, from the papers that I read.

Mr. HALLEY. That is right. Well, would you like to say anything else about your association with King and Cassera?

Mr. MARMORSTEIN. All I can say about the association in the Wofford and Raleigh, I have represented them. Mr. King later involved Mr. Massey and involved Mr. Chuck Polizzi, and I represented him on a fee basis, where they were paying me a certain fee, whatever work I done for them. I had a contract with Mr. King about that, which is in writing, which I will be glad to submit to you and you can put it in the record.

Mr. HALLEY. Well, now, who did you represent?

Mr. MARMORSTEIN. King. Johnny King.

Mr. HALLEY. Johnny King and Joe Massey?

Mr. MARMORSTEIN. No, Joe Massey came into the picture later.

Mr. HALLEY. Well, at this time did you represent Massey?

Mr. MARMORSTEIN. Just Johnny King.

Mr. HALLEY. Later on, when Massey came in, did you represent him?

Mr. MARMORSTEIN. All I represented Massey for was when Johnny King wanted to buy out the other interest in the Raleigh. He had to have some money, and he brought into the picture Joe Massey and Chuck Polizzi.

Mr. HALLEY. Chuck Polizzi and Joe Massey put money into the Raleigh?

Mr. MARMORSTEIN. Into the Raleigh.

Mr. HALLEY. With Johnny King?

Mr. MARMORSTEIN. For Johnny King. For him to be able to buy it with four or five of his partners.

Mr. HALLEY. And you represented him in that transaction?

Mr. MARMORSTEIN. Yes, sir: I also represented companies like the Albert Pick & Co., who are in the hotel business for the last 30 years, on a retaining basis, the same as I do them.

I also represented such a bank as the Continental Trust Co. in Chicago, when they had some trouble with the Blackstone Hotel.

I also represented banks like the Manufacturing Trust Co., and the Solodad Hotel enterprises, when they financed Albert Pick & Co., and I have experience in representing different banks all over the United States and Canada for the last 25, 30 years, as adviser and as a troubleshooter for them.

Mr. HALLEY. Do you operate the Casa Marina Hotel?

Mr. MARMORSTEIN. I do; yes. I bought it.

Mr. HALLEY. Do you own it?

Mr. MARMORSTEIN. I own it.

Mr. HALLEY. Are you the sole owner; are there any other owners?

Mr. MARMORSTEIN. No other owners.

Mr. HALLEY. Are there any other persons who have undisclosed interests in the Casa Marina?

Mr. MARMORSTEIN. No, sir; nobody but me.

Mr. HALLEY. You purchased it from the United States after the war?

Mr. MARMORSTEIN. No; I purchased it from Mrs. Barnes, from Chicago. She owned it.

Mr. HALLEY. Well, the Navy had it, I believe, during the war. The Navy?

Mr. MARMORSTEIN. The Navy sold it to a fellow in Miami, a fellow by the name of Sam Kay.

Mr. HALLEY. Sam Kay?

Mr. MARMORSTEIN. Yes, and he sold it to this Mrs. Barnes, a widow lady from Chicago, and then I bought it from Mrs. Barnes about September this last year.

Mr. HALLEY. Do you know Sam Kay?

Mr. MARMORSTEIN. Well, I have met him; yes.

Mr. HALLEY. How long have you known Sam Kay?

Mr. MARMORSTEIN. I only met him on one deal. I represent Albert Pick & Co., and they furnished the furnishings in the Copa City, the kitchen equipment for the Copa City in 1948 or around there.

Mr. HALLEY. The Copa City is a very large night club in Miami Beach?

Mr. MARMORSTEIN. And they didn't pay their bill, so last April of 1950 I had a call from Mr. Aranoff, the president of Pick & Co., and asked me to go down there and straighten out this account. I couldn't straighten it out, but I was referred to Sam Kay, that he had some interest in the Copa City on straightening out this amount due us, about \$44,000 or \$48,000.

When I got to Sam Kay's office, he just gave me a lot of promises, and his brother-in-law gave us a bum check we couldn't cash for \$2,000, so I got mad and I told him I am going to pull my equipment out of there, and I did, and pulled everything out of there and shipped it back to Chicago.

That was my only dealing with Sam Kay.

Mr. HALLEY. He is a rather large real-estate operator in Miami.

Mr. MARMORSTEIN. He is the largest one down there, so they tell me.

Mr. HALLEY. How long did he have the Casa Marina?

Mr. MARMORSTEIN. Two years.

Mr. HALLEY. And how long did the lady in Chicago have it?

Mr. MARMORSTEIN. Also 2 years.

Mr. HALLEY. And then you purchased it?

Mr. MARMORSTEIN. Yes.

Mr. HALLEY. Did you ever have any interest in it prior to purchasing it?

Mr. MARMORSTEIN. No, never been in Key West until I took sick last fall or a year ago.

Mr. HALLEY. And I take it Mr. Aranoff is president of Pick & Co.?

Mr. MARMORSTEIN. Albert Pick & Co.

Mr. HALLEY. You have done business with them for many years?

Mr. MARMORSTEIN. Twenty, thirty years.

Mr. HALLEY. So that when you loaned first \$10,000, then \$15,000 to Mr. Aranoff in connection with the Chicago fair, you were lending it to somebody you knew pretty well?

Mr. MARMORSTEIN. I didn't loan it to Aranoff; I loaned it to the company.

Mr. HALLEY. But he came to you for the loan.

Mr. MARMORSTEIN. He asked me for the loan.

Mr. HALLEY. He was your valued customer and client.

Mr. MARMORSTEIN. Well, he wasn't my customer. I am his customer; he is my boss. He pays me a retainer every month for representing him.

Mr. HALLEY. So you might distinguish a case in which you loaned your boss \$25,000 from a case in which you loaned it to a man who I think you have testified you know as a gambler.

Mr. MARMORSTEIN. I didn't say he was a gambler.

Mr. HALLEY. Don't you know that?

Mr. MARMORSTEIN. I don't know. I have heard some rumors that he had an interest here in Cleveland in the Mounds Club. Everybody knows that. But whether he had any other interests, I couldn't tell.

Mr. HALLEY. Well, isn't the Mounds Club enough to make a man a gambler?

Mr. MARMORSTEIN. I wouldn't say so, no.

Mr. HALLEY. Were you ever in it?

Mr. MARMORSTEIN. I was in it.

Mr. HALLEY. It had a crap game?

Mr. MARMORSTEIN. I never shoot crap.

Mr. HALLEY. You never shoot crap?

Mr. MARMORSTEIN. No.

Mr. HALLEY. Didn't it have gambling?

Mr. MARMORSTEIN. I walked in their dining room a few times, had dinner, saw Joe Louis, and Sophie Tucker, and walked out.

Mr. HALLEY. You never went into the gambling part?

Mr. MARMORSTEIN. Only gambling I ever do is on horses.

Mr. HALLEY. But the question isn't whether you ever gamble; didn't you ever go into the gambling part of the Mounds Club?

Mr. MARMORSTEIN. No.

Mr. HALLEY. But everybody in Cleveland knew there was gambling there?

Mr. MARMORSTEIN. Yes; they knew it.

Mr. HALLEY. And you knew that McGinty had an interest in it?

Mr. MARMORSTEIN. I did.

Mr. HALLEY. That is all.

Mr. NELLIS. Mr. Marmorstein, you have testified concerning the reputation of Mr. King and the Wofford Hotel.

Mr. MARMORSTEIN. Yes.

Mr. NELLIS. And you were there with Mr. Abe Allenberg; is that right?

Mr. MARMORSTEIN. Yes; I was there with him.

Mr. NELLIS. You had a co-extensive interest in the management.

Mr. MARMORSTEIN. No; I had no interest.

Mr. NELLIS. In the management. I don't mean financial.

Mr. MARMORSTEIN. Well, in the management. I turned over all my files to your—

Mr. NELLIS. Well, I am just asking you.

Mr. MARMORSTEIN. No; I had no interest in the management.

Mr. NELLIS. Was your name—

Mr. MARMORSTEIN. Mr. Allenberg bought half interest in the lease in the Wofford from Mr. King, and Mr. Cassera, and then he became the manager of the Wofford Hotel, and he run the hotel and operated it.

Mr. NELLIS. Well, do you know whether your name appeared in conjunction with Mr. Allenberg's name on wage returns, withholding receipts, and so on?

Mr. MARMORSTEIN. It did; yes.

Mr. NELLIS. Did you have an interest in who was employed in the Wofford Hotel? Did you care about that?

Mr. MARMORSTEIN. Yes; I had an interest when I first started to represent Mr. King. I have hired one of the largest auditing firms in the hotel auditing, Horwood & Horwood, and I installed them as the representative of both Mr. King and Cassaro, and they supervised the hiring of cashiers and—

Mr. NELLIS. And your instructions to them were that they were to make this a respectable, high-grade operation; is that right?

Mr. MARMORSTEIN. As far as I know, that is what it was.

Mr. NELLIS. Do you know Romeo Civetta?

Mr. MARMORSTEIN. Never heard of him.

Mr. NELLIS. He is a brother of Anthony Civetta, from Cleveland.

Mr. MARMORSTEIN. Never heard the name even.

Mr. NELLIS. Mr. McBride's—

Mr. MARMORSTEIN. Never heard of him.

Mr. NELLIS. He worked for the Wofford Hotel, did you know?

Mr. MARMORSTEIN. I didn't know that. I could show you all the list of people who worked there, if you—

Mr. NELLIS. Well, the committee has records that he did.

I have no other questions.

The CHAIRMAN. All right.

Now, you have furnished us things here to prove that you were not in a certain building.

Mr. MARMORSTEIN. That is right.

The CHAIRMAN. The name of the building is Chester-Ninth.

Mr. Sullivan said:

Max Marmorstein, hotel operator, from Cleveland, Ohio, he maintains his office in the Ninth and Chester Building in Cleveland, Ohio, and his telephones were taken out of that office, 1943, because they were connected with gambling operations. That building is the headquarters of the Empire News Service, controlled by Mushy Wexler.

Now, you proved you were in the Mormon Building?

Mr. MARMORSTEIN. The what?

The CHAIRMAN. What building were you in?

Mr. MARMORSTEIN. The Guardian Building.

The CHAIRMAN. And you didn't move into the building referred to by Mr. Sullivan until 1945.

Mr. MARMORSTEIN. That is right.

The CHAIRMAN. You weren't there at the time he talked about.

Mr. MARMORSTEIN. No, sir.

The CHAIRMAN. All right. I think that your records show that. We will take your word for it.

I might say, for the benefit of the record and Mr. Marmorstein, that he wrote the committee a letter on November 6, explaining the same thing, and Mr. Klein, associate counsel for the committee wrote back, and Mr. Marmorstein asked that the letter be made a part of the record, and Mr. Klein wrote back that we were glad to have the explanation, and when the record is printed his letter would appear in full as part of the proceedings.

You got that letter?

Mr. MARMORSTEIN. I got that.

The CHAIRMAN. And it is in the record. I think you should know, it is in the Florida record that this letter and reply is printed.

Mr. MARMORSTEIN. Well, I would like to have it in this record of this hearing, Senator, because I am living here, and I have lived here for almost 40 years, and some of our newspapers are getting this entire set-up, and my connection with this thing, entirely untrue statements.

Now, what I'd like to do, if I may, I have——

The CHAIRMAN. Well, your letter will be made a part of the record here in Cleveland.

(Letter referred to is identified as exhibit No. 72, and appears in the appendix on p. 466.)

Do you have anything else you want to tell us?

Mr. MARMORSTEIN. All I want to say is this, that my files are all upstairs, whatever they are in connection with the Wofford deal, with the Raleigh deal, with any other deals that are involved and as I said in my letter to you on November 6, if at any other time you care to have me, I will be glad to appear, and I thank you for the privilege of appearing here.

I would like to get back to Key West. I have got a nice hotel there. I will leave you a folder of it. [Laughter.]

If it is good enough for our President, it ought to be good enough for us.

The CHAIRMAN. Now we have somewhere we can stay in Chicago, and when we go down to Key West——

Mr. HALLEY. I would vouch for the Casa Marina. It is one of the most beautiful buildings in the country.

The CHAIRMAN. You own all of that?

Mr. MARMORSTEIN. I own all of that, Senator, and I have no partners.

The CHAIRMAN. I was interested in knowing this: How much interest did you charge Mr. McGinty?

Mr. MARMORSTEIN. I charged him interest, Senator.

The CHAIRMAN. Big interest?

Mr. MARMORSTEIN. No, no. But I did charge him interest. I did charge a big interest to that Aranoff loan.

The CHAIRMAN. Why did you charge them bigger interest?

Mr. MARMORSTEIN. Well, because that was a loan that maybe I wouldn't get back. You know, in a promotion it is a peculiar thing, Senator. I don't know if you know these fair promotions, but I did charge interest.

The CHAIRMAN. Anyway, you have known Mr. McGinty, and felt he was going to pay you back, and you didn't know about these others?

Mr. MARMORSTEIN. No; that I wasn't so sure of.

The CHAIRMAN. Of course, this hotel thing, your name appeared with Mr. Allenberg's on all the records and receipts.

Mr. MARMORSTEIN. And I explained——

The CHAIRMAN. And Mr. Allenberg and Mr. Sullivan had something to say that this hotel was connected with Erickson. The fact is, as you probably know, Allenberg came to Florida under the sponsorship of Erickson, and Erickson put up the money for him to buy interest in the Wofford Hotel. You knew that, didn't you?

Mr. MARMORSTEIN. Senator, I did not know it. I never heard of that.

The CHAIRMAN. Well, you found it out?

Mr. MARMORSTEIN. I did. I found this out, that since the newspapers—I found out since the newspapers. I never met Allenberg until 1941, sometime in the fall, and I only met him in Mr. King's attorney's office when the assignment was made to him for half of the deal. I never made the deal——

The CHAIRMAN. Well, anyway, you didn't know that Allenberg was fronting for Erickson when you went with him?

Mr. MARMORSTEIN. No.

The CHAIRMAN. But you found out he was.

Mr. MARMORSTEIN. No. I tell you what I did find out, that Allenberg was working for Erickson.

The CHAIRMAN. Well, that is fronting, so it is the same thing.

Mr. MARMORSTEIN. Yes, he was working, but not in the hotel.

The CHAIRMAN. Now, I am intersted to know also, John King not only had an interest in the Wofford, he also had an interest in the Sands Hotel, along with Al Polizzi.

Mr. MARMORSTEIN. He didn't have it when I represented him.

The CHAIRMAN. Did you do anything for the Sands?

Mr. MARMORSTEIN. No, sir.

The CHAIRMAN. All right.

Mr. MARMORSTEIN. Only one more thing I would like you, Senator. I have an accounting when I turned over this matter to the auditors, for Mr. King's auditor. I would like to leave that for the record until you examine it or somebody examines it, what my settlement was.

In other words, I would like to prove to this committee once and for all when I started representing King and who I represented there, and when I finished representing him, which is a matter of record from these different auditors. He had his own auditor.

Mr. HALLEY. Why don't you submit a written statement, and it will go into the record.

Mr. MARMORSTEIN. I have got it here. I will give it to you.

Mr. CHAIRMAN. Whatever you want us to, we will examine.

Mr. HALLEY. We think we know the facts.

Tell me, were you shocked when you found out that Allenberg was representing Erickson?

Mr. MARMONSTEIN. No; I wasn't shocked.

Mr. HALLEY. You didn't object to associating with Allenberg?

Mr. MARMONSTEIN. No sir. Now, this is my agreement——

The CHAIRMAN. What was your answer?

You said you didn't object to associating with him?

Mr. MARMORSTEIN. I had nothing to do with Allenberg, about his running the hotel. I just simply was advising.

Mr. HALLEY. Did Allenberg object when he found out he was in partnership with King?

Mr. MARMORSTEIN. No. He made the deal with King. I didn't make the deal with Allenberg; he made the deal with Johnny King.

Mr. HALLEY. Of course, Allenberg has testified that when he made the deal he didn't know King's reputation, and when he found out he got out of the Wofford.

Mr. MARMORSTEIN. That is not quite true. He operated the Wofford for quite a long time with Johnny King, not with me, but with Johnny King—my records that are upstairs will show that.

The CHAIRMAN. All right. You leave all this here, and we will go over it.

Mr. MARMORSTEIN. Now, here is the final essence of this whole thing. Here is my accounting for Johnny King and here is his auditors, here is a letter from the auditor and my letter to the auditor, and attorneys representing Johnny. That finished the whole thing.

The CHAIRMAN. All right, then. Fine. We will take this over and study it, and it will be made an exhibit.

(The paper identified was thereupon received in evidence as exhibit No. 73, and was returned to witness after analysis by the committee.)

Mr. MARMORSTEIN. Senator, can I go back to Key West now? Or shall I still—

The CHAIRMAN. Have you got another one of those folders?

Mr. MARMORSTEIN. Yes; I have. [Laughter.]

I brought this up to give you a folder.

Mr. HALLEY. When I saw it, it was under the Navy management.

Mr. MARMORSTEIN. Well, it is much prettier now, sir. Since then, Mrs. Barnes remodeled.

Mr. NELLIS. May I ask one question? A fast one.

Do you know Forrest Thompson?

Mr. MARMORSTEIN. No.

Mr. NELLIS. Never heard of him?

Mr. MARMORSTEIN. I heard of him; yes. He was connected one time, I believe, with a construction company in Cleveland.

Mr. NELLIS. Yes; in the real-estate business. But you never met him?

Mr. MARMORSTEIN. Yes; I think I did.

Mr. NELLIS. When was that?

Mr. MARMORSTEIN. In Cleveland, maybe 15, 20 years ago.

Mr. NELLIS. Have you had any—

Mr. MARMORSTEIN. Dealings with him?

Mr. NELLIS. Any business dealings?

Mr. MARMORSTEIN. No; I haven't seen the man for 10, 20 years.

The CHAIRMAN. All right. Thank you; we appreciate very much your coming in.

Now the committee will be recessed until 2:30.

(Whereupon, at 1:15 p. m., a recess was had until 2:30 p. m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

Mr. McConnell Coakwell, the operating director of the Cleveland Crime Commission, has been with us during most of the hearings. We would be very glad if Mr. Coakwell would come up and sit with the committee. I don't know if he is here right now.

Mr. Rhoads, will you come around?

Do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. RHOADS. I do.

The CHAIRMAN. All right, gentlemen. Alvin Coakwell, city manager of Newport, Ky.—is that correct, Malcolm Rhoads?

Mr. RHOADS. That's right.

The CHAIRMAN. I got you mixed up with Mr. Coakwell of the Cleveland Crime Commission. All right, Mr. Nellis.

**TESTIMONY OF MALCOLM REET RHOADS, CITY MANAGER,
NEWPORT, KY.**

Mr. NELLIS. Mr. Rhoads, will you please state your full name and address for the record?

Mr. RHOADS. It is Malcolm Reet Rhoads.

Mr. NELLIS. You are city manager of Newport, Ky., sir?

Mr. RHOADS. That's right.

Mr. NELLIS. When did you become city manager?

Mr. RHOADS. Last year, January the 2d.

Mr. NELLIS. You were appointed to that position; isn't that right?

Mr. RHOADS. That's right.

Mr. NELLIS. By the city commissioners?

Mr. RHOADS. That's right.

Mr. NELLIS. When were they elected? About that same time?

Mr. RHOADS. They were elected in November, prior to that.

Mr. NELLIS. What platform were they elected on, generally?

Mr. RHOADS. They were elected on a platform of eliminating commercialized gambling as far as possible.

Mr. NELLIS. And their instructions to you, as I understand it, sir, were that you were to see to it that everything was done to eliminate organized gambling?

Mr. RHOADS. That's right.

Mr. NELLIS. You know, Mr. Rhoads, the committee has heard a great deal of information concerning the enormous and plush casinos that are running in that area.

Mr. RHOADS. Yes. I would like to make this statement. I have observed that there has been some confusion regarding Beverly Hills. Beverly Hills is not in Newport; it is in a town adjacent to Newport, in South Gate, and, of course, we have no jurisdiction over Beverly Hills.

Mr. NELLIS. I understand, but you have some clubs in your city; do you not?

Mr. RHOADS. That is correct.

Mr. NELLIS. Would you prefer to tell the committee in your own words what you have done in connection with the clean-up campaign?

Mr. RHOADS. I will be glad to.

Mr. NELLIS. All right, sir.

The CHAIRMAN. Let's see. First, what are the clubs in Newport?

Mr. RHOADS. Senator, we have so many there, it would be impossible to enumerate all of them. There are 126 saloons, 43 night clubs, and a good many groceries possibly that have licenses.

The CHAIRMAN. What are the ones that we have been hearing testimony about?

Mr. RHOADS. I am not sure which ones you have had testimony on.

Mr. NELLIS. Do you have the Yorkshire Club?

Mr. RHOADS. Yes.

Mr. NELLIS. And the Merchants Club?

Mr. RHOADS. That's right.

Mr. NELLIS. Could you tell us about those, sir?

Mr. RHOADS. Well, they are reputed to be gambling casinos.

Mr. NELLIS. Have you done anything to close them up?

Mr. RHOADS. Yes; we have.

Mr. NELLIS. Will you tell us what?

Mr. RHOADS. Yes. As I said before, this group that went into office was a group of businessmen who were elected on a platform to eliminate commercialized gambling and, of course, to make other improvements, civic improvements as well.

I was never a city manager before and was never interested in becoming city manager. I was a country school teacher for about 15 years and practiced law for 4 years after that. And they came to me and asked me if I would assume that responsibility and told me very definitely what their platform was. In fact, I asked them because I was as much interested in knowing what their attitude toward that situation was as they were to know about mine; and it was concluded that we would eliminate gambling as far as possible and we then—I think it was on May the 4th that the final back-breaking decree was issued and it was since that time—

Mr. NELLIS. Against whom?

Mr. RHOADS. Against all of them.

Mr. NELLIS. All of the clubs?

Mr. RHOADS. Yes. I would like to make this clear; that we never at any time tried to make any distinction between commercialized and syndicated gambling and home-grown gamblers. To us, gamblers were gamblers.

Mr. NELLIS. You have both?

Mr. RHOADS. And that was the ones we wanted to eliminate.

Mr. NELLIS. You had both in Newport; did you not?

Mr. RHOADS. Yes; that's the general information.

Mr. NELLIS. Yes. And the Flamingo Club was in Newport?

Mr. RHOADS. That's right.

Mr. NELLIS. That was operated by Mike and Louis Levinson?

Mr. RHOADS. I have heard those names mentioned in connection with it.

Mr. NELLIS. That club was closed also along with the other two I have mentioned?

Mr. RHOADS. Yes, yes.

Mr. NELLIS. You have confidence in your police department, Mr. Rhoads?

Mr. RHOADS. Well, of course, gambling had gone on there for some 50 years, I suppose, or longer, and I don't—I can't conceive of big-time commercialized gambling going on without the knowledge and possibly the cooperation of the police department.

Mr. NELLIS. You have heard testimony, I presume, if you were in the courtroom yesterday, concerning the operations in which a certain number of Clevelanders got into operations in the Yorkshire Club; is that right?

Mr. RHOADS. Yes.

Mr. NELLIS. And the committee understands, of course, that that was a large operation. You have had your trouble, though, with local places; have you not?

Mr. RHOADS. Well, we have had our troubles with all of them.

Mr. NELLIS. Have the laws been enforced against all of them pretty equally?

Mr. RHOADS. Yes.

Mr. NELLIS. So far as you know?

Mr. RHOADS. Yes; so far as I know, there has been no distinction made between the local and the syndicated groups. Frankly, I had no knowledge of who the syndicated groups were. I care less, for that matter, because our interest was to eliminate them.

Mr. NELLIS. Yes, sir. Now, you testified that you didn't think gambling could go on without the knowledge of some of the law-enforcement officials; is that right?

Mr. RHOADS. That's right.

Mr. NELLIS. Did you begin ouster proceedings against the chief of police?

Mr. RHOADS. Yes. On the 14th of December.

Mr. NELLIS. What year?

Mr. RHOADS. Of 1950. We instituted ouster proceedings against the chief of police.

Mr. NELLIS. On what grounds?

Mr. RHOADS. On the grounds that he failed to carry out the orders completely that we had issued relative to elimination of gambling.

Mr. NELLIS. And other grounds as well?

Mr. RHOADS. Yes, insubordination.

Mr. NELLIS. Insubordination in connection with your directions to him?

Mr. RHOADS. That's right.

Mr. NELLIS. What is the status of those proceedings, Mr. Rhoads?

Mr. RHOADS. Those have been heard before the city commissioners, and Mr. Gugel was given a 28-day suspension.

Mr. NELLIS. For the record, Mr. Gugel is whom? Can you identify him more fully?

Mr. RHOADS. The chief of police.

Mr. NELLIS. Mr. George Gugel?

Mr. RHOADS. That's right.

Mr. NELLIS. He is the present chief of police?

Mr. RHOADS. That's right.

Mr. NELLIS. Is he under suspension at the present time?

Mr. RHOADS. No; his suspension became effective as of the 14th—13th, I believe, it was, of December, and it was to run 28 days from that. So it would have—his suspension has ended as of now.

Mr. NELLIS. Mr. Rhoads, wasn't there something recently about a hearing on January 18 concerning Mr. Gugel? Was that an appeal that he is making from that suspension order?

Mr. RHOADS. No; I think that was the date that the suspension terminated.

Mr. NELLIS. Oh, it terminated on that date?

Mr. RHOADS. Yes; at that time.

Mr. NELLIS. I see, sir. Is it your opinion that the organized and unorganized—by that, I mean the syndicated and the local gambling—has pretty well been wiped out?

Mr. RHOADS. Yes; I think it definitely.

Mr. NELLIS. Out of your environs?

Mr. RHOADS. I think it is practically eliminated. Now, if there is any at all, it is behind closed doors and so secretive that it is pretty hard to get to it. We have observed very definitely a decrease in our police court records.

MR. NELLIS. Is Chief Gugel enforcing the laws now, to your knowledge?

MR. RHOADS. To my knowledge, yes.

MR. NELLIS. Are you satisfied with his enforcement of the laws?

MR. RHOADS. I am satisfied if they are being enforced; and, as far as I know, they are, and I will be satisfied so long as they are enforced.

MR. NELLIS. And you are satisfied to keep him in office so long as he does enforce the law?

MR. RHOADS. So long as he enforces the law, I am not concerned about who is chief of police.

MR. NELLIS. Hasn't Newport been known as a pretty wide-open place for a long time?

MR. RHOADS. Yes; it has been. It has been known as a liberal community, and that is using the word "liberal" very loosely.

MR. NELLIS. Would you explain that to the chairman, please? "Liberal community," what does that mean?

MR. RHOADS. In Newport, to some people "liberal" means license to operate illegal activities, and I certainly don't put that interpretation upon being liberal. I classify myself as being liberal, but not to that point.

MR. NELLIS. I have no further questions.

THE CHAIRMAN. Mr. Halley?

MR. HALLEY. No questions.

THE CHAIRMAN. Well, Mr. Rhoads, you got the backing of the people to do something about this down there; didn't you?

MR. RHOADS. Yes; I think we have, and I think, Senator, that it is one of the best examples of what an aroused citizenry can do to eliminate a blight on a community that has been there a long time when they are probably informed and when they have officials who are fearless and are willing to do their duty.

THE CHAIRMAN. Well, sometimes the argument around in the community—and I am sure you have heard it down in Newport—is that all of the citizens want this, and that these people contribute to charity, and so forth, and so on.

What do you think of that?

MR. RHOADS. I think that is a bill of goods that has been sold that can't be delivered. Our experience has been that instead of it being an economic necessity as some well-meaning people thought, it was that they have definitely proved themselves to be a liability.

When we went into office we were told that we would not be able to operate the city on the budget without the special taxes that were assessed which applied generally to the clubs. Those taxes were eliminated. We operated our city in the black, and I think we can continue to do so. A lot of those businessmen who thought honestly that much of the economy of the community depended upon commercialized gambling have changed their minds completely. They tell us that now children are drinking milk that didn't drink milk before, they are buying more groceries; business generally has improved instead of declined since this has taken place.

THE CHAIRMAN. Merchants are doing better and the farmers are doing better, and the morale of the community is improved?

MR. RHOADS. The general morale of the community has greatly improved. We have noticed that in some months the entire month's

criminal record shows less arrests than formerly there would be on a Monday morning.

The CHAIRMAN. How about juvenile delinquency?

Mr. RHOADS. There has been definitely a decline in juvenile delinquency.

The CHAIRMAN. So that your opinion is that no matter how deep the roots of gambling and crime may be in the economic and political life of a section, in the first place, the big percentage, 98 percent of the people, want to eliminate it, and in the second place it is a very healthy thing for the community to get rid of it?

Mr. RHOADS. I certainly think that is true.

The CHAIRMAN. I agree with you fully.

I might say in that connection that we had some information when we were at Las Vegas that there was a magnesium plant a little way out of Las Vegas. Of course, we are not going into whether it is a good thing or not in Las Vegas, but the information was that these workers were paid more than they were almost anywhere else in the United States at this plant. However, they come into town, and families lost their money. The magnesium plant was moved somewhere else, and many of the workers didn't have enough money to move the three or four hundred miles. They didn't have money to move their furniture, their clothes, and so on, to go three or four hundred miles where the plant was relocated.

So this does take the financial means and the subsistence away from the poor people and the middle class who can ill afford it.

Is that your experience?

Mr. RHOADS. That is my opinion, Senator. We had an experience in our community that backs that up. I am a member of the State industrial committee of the State chamber of commerce, and we have made a special effort to secure industries in our community, and one of the things that was told to me early when contacting them was that the reason why industries did not come in during the last war is the fact that the conditions there were not conducive to right living for those they expected to work for them.

Since that time, since the first of last year, since this edict has been enforced, we have had overtures from industries. Our community has organized an industrial development committee. They are now making surveys, and I feel sure that the community is going to many, many times offset any economic value that might be attached to commercial gambling.

The CHAIRMAN. Mr. Rhoads, were you there as city manager when some members of your police department were fired in connection with an operation growing out of dealings with some people from Miami, and it was alleged that they were framed?

Mr. RHOADS. No.

The CHAIRMAN. Do you know anything about that?

Mr. RHOADS. No. No police have been fired since I have been in office.

The CHAIRMAN. You came in January 1950?

Mr. RHOADS. January 2, 1950; that's right.

The CHAIRMAN. Thank you, Mr. Rhoads. We wish you well, and we commend your spirit in what you are attempting to do, and I think you are going to be successful if you keep on with the determination that you have.

Mr. RHOADS. As long as I am city manager this edict is going to stay in force.

The CHAIRMAN. Thank you, sir.

Let us get Mr. Gugel in.

Mr. Gugel, do you solemnly swear the testimony you will give this committee will be the whole truth, so help you God?

Mr. GUGEL. I do.

**TESTIMONY OF GEORGE GUGEL, CHIEF OF POLICE, NEWPORT, KY.,
ACCOMPANIED BY CHARLES E. LESTER, ATTORNEY**

The CHAIRMAN. All right, Mr. Nellis.

Mr. NELLIS. State your name.

Mr. GUGEL. George Gugel.

Mr. NELLIS. And what is your official connection in the city of Newport?

Mr. GUGEL. Chief of police.

Mr. NELLIS. How long have you been chief of police there?

Mr. GUGEL. Five years.

Mr. NELLIS. You have heard the testimony concerning conditions in Newport, Mr. Gugel?

Mr. GUGEL. Yes.

Mr. NELLIS. Did you hear Mr. Rhoads testifying concerning the proceedings he brought against you in connection with lack of law enforcement?

Mr. GUGEL. Yes.

Mr. NELLIS. Are you satisfied that those conditions have been eradicated?

Mr. GUGEL. Yes.

Mr. NELLIS. Is the Yorkshire open, Mr. Gugel?

Mr. GUGEL. To my knowledge; no.

Mr. NELLIS. The committee had some very definite information, Mr. Chairman, that the Yorkshire Club was opened just recently, just a few days ago.

Have you any idea on that, Mr. Gugel?

Mr. GUGEL. My idea on that, sir, is my men checked three or four times a day, and they give me a written report on it, and that is—

Mr. NELLIS. What do they find?

Mr. GUGEL. Nothing.

Mr. NELLIS. Do you have any of those records with you?

Mr. GUGEL. I don't think I have any of those reports with me, not here; no.

Mr. NELLIS. Do you have any within the last week or 10 days?

Mr. GUGEL. Not with me.

Mr. NELLIS. Do you have any of them in your office?

Mr. GUGEL. Oh, yes.

Mr. NELLIS. Would you see that they are made available to the chairman either today through Mr. McCormick, or by mail, some expedient way?

Mr. GUGEL. Yes.

The CHAIRMAN. Do you have them up here?

Mr. GUGEL. No, sir. I have them at home, at the office. I have a daily report from—in other words, there are three lieutenants, 8-hour

shift, and every 8 hours they make out their report and turn it in to me.

Mr. NELLIS. What do their reports consist of, visited X club, found no gambling?

Mr. GUGEL. Visited 518 York Street, known as the Yorkshire, and found nothing; visited the Merchants, and the same.

Mr. NELLIS. Do you know Mr. Masterson?

Mr. GUGEL. Sir?

Mr. NELLIS. Masterson?

Mr. GUGEL. Yes, sir.

Mr. NELLIS. How well do you know him?

Mr. GUGEL. Well, I suppose I know Red Masterson 25 years.

Mr. NELLIS. What is his occupation, Mr. Gugel?

Mr. GUGEL. Right now he is—he is at the Latin quarters. That is outside of Newport. I don't know what he is doing up there.

Mr. NELLIS. Was he in your city at one time?

Mr. GUGEL. He was at the Merchants; yes, sir.

Mr. NELLIS. At the Merchants' Club, isn't that right?

Mr. GUGEL. That's right.

Mr. NELLIS. He was the manager or the proprietor there, in a sense, was he not?

Mr. GUGEL. Well, sir; all we go on is the man whose name the license was in, and the license was in Johnny Cassera's name. That is the license to operate a restaurant and a bar.

Mr. NELLIS. Mr. Gugel, you were ousted or suspended, were you not, for not enforcing the gambling laws?

Mr. GUGEL. Well, that was the charge, but it was dropped against me about that, and the only thing that I was suspended on was insubordination.

Mr. NELLIS. Was that in connection with Mr. Rhoads?

Mr. GUGEL. That's right, sir.

Mr. NELLIS. Have you and Mr. Rhoads patched up your difficulties?

Mr. GUGEL. Well, I suppose we did, sir.

Mr. NELLIS. And you are going ahead with a strong enforcement, is that right?

Mr. GUGEL. That's right, sir.

Mr. NELLIS. To your knowledge, there is no gambling going on at all?

Mr. GUGEL. That's right.

Mr. NELLIS. None?

Mr. GUGEL. Well, like Mr. Rhoads says, there may be cheating some place, and like that; that could be possible.

Mr. NELLIS. Is there any gambling going on—I know it is not within your jurisdiction—is there any gambling going on just outside of Newport in these big clubs the committee has heard about?

Mr. GUGEL. Well, the Beverly Hills is in Southgate and the Wilders is where the Latin Quarters is, and then I think there is another place up in Bellevue, some kind of club up there.

Mr. NELLIS. Have you ever gone in any of these clubs?

Mr. GUGEL. No, sir.

Mr. NELLIS. Never?

Mr. GUGEL. No, sir.

Mr. NELLIS. Mr. Gugel, just briefly can you give us an idea of what property you own?

Mr. GUGEL. Yes, sir. I own two pieces of property, my own home where I am living in now——

Mr. NELLIS. When did you acquire that, sir?

Mr. GUGEL. In 1942.

Mr. NELLIS. What was the acquisition cost?

Mr. GUGEL. Seven thousand dollars. And then I have our old home—my parents died about in 1933 or 1934, and during settling the estate and that from different times I paid off my brothers and sisters, and I have that piece of property.

Mr. NELLIS. What would you estimate the worth of that to be?

Mr. GUGEL. The two of them? Oh, that one here?

Mr. NELLIS. Yes.

Mr. GUGEL. That stood me around \$6,500 at the time, sir.

Mr. NELLIS. Do you own an automobile?

Mr. GUGEL. Yes, sir.

Mr. NELLIS. What kind?

Mr. GUGEL. It is a 1939 Dodge.

Mr. NELLIS. Do you have any sources of income other than your salary as chief of police?

Mr. GUGEL. Not other than that property that I rent, my former home.

Mr. NELLIS. And no other sources of income?

Mr. GUGEL. No, sir.

Mr. NELLIS. That is all I have, Mr. Chairman.

The CHAIRMAN. Mr. Halley.

Mr. HALLEY. Is it your position that if you believe the city administration wants you to enforce the law, you enforce it, but if you believe they don't want you to enforce it, then you don't?

Mr. GUGEL. Well, I don't know how to answer that. In other words, I would say that the administration that was in before this, like Mr. Rhoads says, was liberal, but then these people came along, and in the 2d of January I had a meeting with them and they told me they would let me know what to do. In other words, Mr. Rhoads is my boss, and he is appointed by the city commission and the mayor.

Mr. HALLEY. Well, what is your conception of the function of the chief of police? Is it to enforce the law, or to do what the politicians tell him to do?

Mr. GUGEL. To enforce the law, sir.

Mr. HALLEY. Well, you certainly did not enforce the law prior to, say, the middle of 1950, did you?

Mr. GUGEL. Well, the orders that I handed out to my men, I relied upon them.

Mr. HALLEY. But you know very well that the gambling houses were running wide open, were they not?

Mr. GUGEL. To my knowledge; no.

Mr. HALLEY. Until the early part of 1950?

Mr. GUGEL. To my knowledge; no.

Mr. HALLEY. Well, I can say to my knowledge they were wide open.

Mr. GUGEL. Well, I have never visited them.

Mr. HALLEY. Do you mean to say that you never visited any of those notorious gambling houses in your jurisdiction?

Mr. GUGEL. That is right.

Mr. HALLEY. Do you today know which they were?

Mr. GUGEL. I know where they were.

Mr. HALLEY. What are the gambling houses which are within your own jurisdiction?

Mr. GUGEL. There was the Merchants Club, the Yorkshire, which is 518 York—

Mr. HALLEY. And the Flamingo?

Mr. GUGEL. 633 York, and at one time the Glenn Rendezvous—

The CHAIRMAN. Excuse me, sir, but what is your name?

Mr. LESTER. Charles E. Lester, lawyer.

The CHAIRMAN. You are an attorney, from Newport?

Mr. LESTER. Of Newport.

The CHAIRMAN. Representing Chief Gugel?

Mr. LESTER. Yes, sir.

The CHAIRMAN. Excuse me.

Mr. HALLEY. Now, you were chief of police for 5 years?

Mr. GUGEL. Yes, sir.

Mr. HALLEY. And you didn't know that there was gambling going on in these places?

Mr. GUGEL. I told you I had never visited them. We have a chief of detectives and he takes care of the outside work. Being chief of police in the city of Newport, I also have the job as jailer there, that ordinarily comes under a sheriff, but the chief of police takes care of that.

Mr. HALLEY. Now, without going into the details yet—you may if you want—are you going to sit here and just say you were too busy to find out if there was gambling in these places?

Mr. LESTER. I object. Mr. Chairman, let him ask him and he will tell him.

Mr. HALLEY. Were you too busy to find out? Is that your point?

Mr. GUGEL. Well, my point is this, I take care of the office. The chief of detectives takes care of the outside work, sir.

Mr. HALLEY. Well, you, too, have a big responsibility, do you not?

Mr. GUGEL. That is right.

Mr. HALLEY. And were you just incompetent to find out if the chief of detectives was doing his job at all?

Mr. GUGEL. Well, I was just taking his reports of the case. He turned in his reports to me.

Mr. HALLEY. Well, you know very well that all, and if not all, practically all of the gambling houses running in your jurisdiction ran large ads in the Cincinnati papers, indicating that they were open?

Mr. LESTER. We object to the attorney telling the witness what he knows.

The CHAIRMAN. Mr. Lester, the chief of police ought to be familiar enough with what was going on. He has been in court a good many times, and I don't think that he is going to be taken advantage.

The question was whether he knew that the Cincinnati papers ran advertisements as to the gambling places open for business in Newport, which is a fair question, and the witness will be called to answer.

Mr. GUGEL. I never read them.

Mr. HALLEY. Well, these places advertised entertainment floor shows. They ran very big, elaborate ads, did they not?

Mr. GUGEL. I couldn't say whether they did or not.

Mr. HALLEY. You read the papers, don't you?

Mr. GUGEL. Well, I might read the front page. News I can get right at the office.

Mr. HALLEY. Did you ever ride in a taxicab in Cincinnati?

Mr. GUGEL. No, sir.

Mr. HALLEY. Did you ever ride in a taxi in Newport?

Mr. GUGEL. No, sir.

Mr. HALLEY. Or in Covington?

Mr. GUGEL. No, sir.

Mr. HALLEY. You have never ridden in a taxicab?

Mr. GUGEL. No, sir.

Mr. HALLEY. As chief of police, have you ever had occasion to talk to a taxi driver?

Mr. GUGEL. No, sir.

Mr. HALLEY. Are you the only man in that entire vicinity who didn't know that any taxi driver could take you to a selection of five or six gambling joints?

Mr. LESTER. We object. Nobody said that taxi drivers didn't know that.

Mr. HALLEY. I inquired there, and I was taken to them.

Mr. LESTER. You are not a witness.

Mr. HALLEY. And I certainly wasn't chief of police.

Mr. LESTER. No, you are not.

The CHAIRMAN. Well, Mr. Lester, make your objection.

Mr. LESTER. We don't think, Mr. Chairman, he ought to tell the witness; we think he ought to ask him.

Mr. HALLEY. Well, Mr. Lester, I think this is such a flagrant situation. The chief may have a number of explanations why these places weren't closed, which might be reasonable, but I think it is utterly flagrant and contemptuous for him to sit there and say he didn't know.

Mr. LESTER. Contemptuous of whom?

Mr. HALLEY. Of this committee.

Mr. LESTER. He is not accountable to this committee.

Mr. HALLEY. He certainly is.

Mr. LESTER. For what?

Mr. HALLEY. For telling the truth.

Mr. LESTER. He is going to tell the truth. Just ask him.

Mr. HALLEY. That is what I am doing.

Did you not know there was gambling going on?

Mr. GUGEL. You asked about the cabs, sir. I never ride in a cab. Now, if somebody told you, they didn't tell me.

Mr. HALLEY. Let me put it a different way, Chief. Would you be surprised to know there is gambling going on?

Mr. GUGEL. For me, yes, because I have never been in there. All I know is what somebody told me.

Mr. HALLEY. Well, try to be objective. Do you think anybody with that little knowledge of conditions in his own area is competent to be chief of police?

Mr. GUGEL. Yes, that is possible.

Mr. HALLEY. It is possible?

Mr. GUGEL. Yes.

Mr. LESTER. The answer is that he is the chief.

The CHAIRMAN. Chief, how are you selected? Do you run for office?

Mr. GUGEL. No, sir. You take an examination. Now, I put in 17 years on the police department before I was appointed chief of police.

The CHAIRMAN. I know, but who appoints you?

Mr. GUGEL. A civil-service board, sir.

The CHAIRMAN. The Civil Service Board of Newport?

Mr. GUGEL. That is right.

The CHAIRMAN. I know, but are you appointed by the mayor, the city commissioner, or what?

Mr. GUGEL. Oh, you take an examination, and they rank you 1, 2, 3, and 4.

The CHAIRMAN. Well, somebody has to select people from this range.

Mr. GUGEL. The manager.

The CHAIRMAN. The manager?

Mr. GUGEL. The city manager; yes, sir.

The CHAIRMAN. You don't mean this present city manager selected you?

Mr. GUGEL. No, sir; he didn't.

The CHAIRMAN. Who did select you, then?

Mr. GUGEL. At the time I went in, there was a man by the name of J. Bailey Morlidge, was city manager of the city of Newport.

The CHAIRMAN. J. Bailey Morlidge?

Mr. GUGEL. Yes; he was city manager at that time.

The CHAIRMAN. How much are you paid?

Mr. GUGEL. My salary?

The CHAIRMAN. Yes.

Mr. GUGEL. \$3,600 a year.

The CHAIRMAN. Well, of course, they ought to pay a chief of police more than that.

Now, Chief Gugel, you got a letter from this committee dated August 18, 1950, didn't you?

Mr. GUGEL. Yes, certainly I did.

The CHAIRMAN. Have you got your reply to it?

Mr. GUGEL. You mean the—that letter, the marshal came out and read to me in my home? This is what I got. [Witness produces document.]

The CHAIRMAN. No; I mean a letter dated August 18, 1950:

GEORGE GUGEL,

Chief of Police, Newport, Ky.

DEAR CHIEF GUGEL:—

You got this letter? [Proffers paper to witness.]

It is signed by Mr. Robinson, associate counsel for the committee.

Mr. GUGEL. Yes, I got one of those, sir.

The CHAIRMAN. Did you ever answer it?

Mr. GUGEL. Chief Donnelly taken care of that. Chief of detectives. He is the man that all those things get turned over to.

The CHAIRMAN. Well, in our files we are unable to find an answer to this letter. The letter is dated August 18, 1950, addressed to Chief George Gugel, chief of police, Newport, Ky. It says that the records of the committee indicate that the Ace Research Service, 617 York Street, Newport, Ky., is operating a news service business with the

following subscribers in Newport, Ky.—and 66 or 67 subscribers are listed.

The letter concludes:

It would appear that the above persons are undoubtedly engaged in the operation of making book on horse races, which presumably is contrary to the laws of the State of Kentucky. I would appreciate if you would furnish the Special Committee To Investigate Organized Crime in Interstate Commerce with all information you have, or may be able to develop, regarding the owners and operators of the Ace Research Service, the activities in which the above persons are engaged, and efforts being made by the police department to determine the activities of these people, and the nature of their operations, as well as other pertinent information.

Sincerely,

GEORGE S. ROBINSON,
Associate Counsel.

You got this letter and never replied to it.

Mr. GUGEL. I turned it over to Detective Chief Donnelly.

The CHAIRMAN. What did you do about this?

Mr. GUGEL. I say I don't know whether he answered it or not.

The CHAIRMAN. Did you do anything about the Ace Research Service, 617 York Street, Newport, Ky.

Mr. GUGEL. Still the same thing.

The CHAIRMAN. Still operating this bookie distribution system?

Mr. GUGEL. I say the detectives checked it. I didn't check it. I wouldn't know.

The CHAIRMAN. Here is a letter by which we were trying to do you a favor, calling your attention to all of the bookies or all that we had any reference to in Newport, and the names and the addresses of the bookies or distributors, and you got it, you didn't do anything about it, you didn't even answer our letter.

Mr. GUGEL. Well, when a letter like that comes in, Senator, I turn it over to the chief of detectives who is in charge of that.

The CHAIRMAN. Let's make the letter an exhibit to the record.

(The paper identified was thereupon received in evidence as exhibit No. 74, and appears in the appendix on p. 468.)

Mr. HALLEY. Chief, you said that when the new administration came in a meeting was called.

Mr. GUGEL. That's right.

Mr. HALLEY. And who was at the meeting?

Mr. GUGEL. The chief—the board was there, Mr. Rhoads, and the chief of detectives, my assistant chief, Tehan, and there were several other officers there. I don't remember offhand.

Mr. HALLEY. This board has been elected on a reform platform, is that right?

Mr. GUGEL. What board?

Mr. HALLEY. The new board.

Mr. GUGEL. Well, I wouldn't know that.

Mr. HALLEY. You were around when the campaign was going on?

Mr. GUGEL. Yes, I was.

Mr. HALLEY. What was the basis of their campaign?

Mr. GUGEL. Well, their slogan was "Clean up but not close up."

Mr. HALLEY. Clean up what?

Mr. GUGEL. Well, I didn't know. That was their slogan.

Mr. HALLEY. And not close up what?

Mr. GUGEL. I don't know. That was their slogan, it wasn't mine, sir.

Mr. HALLEY. What happened at this meeting which took place early in January 1950?

Mr. GUGEL. Well, just offhanded I think I can remember part of it, that the manager, Rhoads, he acted as a spokesman—I think he is still here and you can call him back. He says, "Just wait until we get our feet under the table and the orders will be coming to you."

Mr. HALLEY. The orders to do what?

Mr. GUGEL. Well, I don't know what he meant.

Mr. HALLEY. You mean he didn't elaborate any more than that?

Mr. GUGEL. No, sir.

Mr. HALLEY. Were there minutes kept of that meeting?

Mr. GUGEL. No, sir.

Mr. HALLEY. No stenographer was present?

Mr. GUGEL. No, sir.

Mr. HALLEY. There was no discussion of gambling at that meeting?

Mr. GUGEL. No.

Mr. HALLEY. Nobody said, "There are some places operating gambling here and we think we will want you to clean them up but not close them up"?

Mr. GUGEL. No; they didn't say that to my knowledge.

Mr. HALLEY. Did you ask them what they meant by clean up but not close up?

Mr. GUGEL. No; I just waited until they sent me down the orders like Mr. Rhoads says, May the 4th is when that started.

Mr. HALLEY. These places you have mentioned, you knew they were in existence, I presume, prior to January 1950?

Mr. GUGEL. That's right.

Mr. HALLEY. And you thought they were night clubs?

Mr. GUGEL. That's right.

Mr. HALLEY. As the chief of police, did you ever ask for a report on night clubs to see how they were run?

Mr. GUGEL. Yes; I had my men going in there quite a bit, and they would always come back with a report to me.

Mr. HALLEY. Did none of your men ever report that there was gambling in progress in these places?

Mr. GUGEL. No; they didn't.

Mr. HALLEY. You have since found out that there was gambling, have you not?

Mr. GUGEL. In those places?

Mr. HALLEY. Yes.

Mr. GUGEL. Well, I think one of them was raided, the Merchants was raided, and the case is still in the court of appeals. In other words, we had to get a warrant. They went and got a warrant and the place was cleaned up. They brought their equipment in and it is still down there.

Mr. HALLEY. How did it happen to get raided?

Mr. GUGEL. On information.

Mr. HALLEY. Whose information?

Mr. GUGEL. Well, the detective chief and them went and the door was locked and they couldn't get in, and they went and secured a warrant to break the door down if they didn't leave them in.

Mr. HALLEY. What did they do, ride up in a police car with the siren blasting so that the door would be locked?

Mr. GUGEL. No; I wouldn't know that.

Mr. HALLEY. You know very well if you rode up to any of those places in a taxicab you could check your coat and hat and walk in, couldn't you?

Mr. LESTER. We object to him telling him.

Mr. HALLEY. I asked him; I didn't tell him.

Mr. LESTER. It sounded to me like you told him.

The CHAIRMAN. Read the question.

(Question read.)

Mr. LESTER. It still sounds to me like he is telling him.

The CHAIRMAN. He is just asking him.

Mr. GUGEL. I couldn't check my hat and coat and walk in there, you know that, because I was born and raised in the town; they all know who I am.

Mr. HALLEY. It is a small town, isn't it?

Mr. GUGEL. Thirty-two thousand, sir.

Mr. HALLEY. And you stand on your statement under oath that you didn't know there was gambling going on?

Mr. GUGEL. For me to say it, I have to say "No; I don't."

Mr. HALLEY. Did you have any information which should have warranted a diligent chief of police to go in and find out?

Mr. GUGEL. Whenever I had any information, I sent my men there and there was different times raids was made. I got my report here from 1950. Other raids was made in the city of Newport and what happened? Would you care for it sir?

The CHAIRMAN. Yes, sure. Let's file it in the record. Can we have this?

(Reports are identified as exhibit No. 75, and appear in the appendix on p. 470.)

Mr. GUGEL. Yes, sir. That is a yearly report. We make out a monthly report, and gambling, I think there was 44 arrests.

Mr. HALLEY. How many were made prior to May 1950?

Mr. GUGEL. It was about the same as that. That's the FBI record up in Washington; it can be checked.

Mr. HALLEY. That is made by your people; they get their information from you.

Mr. GUGEL. Well, it is a public record. Anybody can——

Mr. HALLEY. Is it your position that your men were making raids during January, February, and March and April, 1950?

Mr. GUGEL. Oh, yes. Oh, yes.

Mr. HALLEY. Have you since brought in the men who made those raids and asked them why they didn't find any gambling going on?

Mr. GUGEL. I missed that question that you asked there.

Mr. HALLEY. Chief, this won't be a question. I went there and saw the gambling and it wasn't hard to see, as a matter of fact.

Mr. GUGEL. When was that?

Mr. HALLEY. That was in the early part of 1950.

Mr. GUGEL. Well, there was raids made along in there anytime we got any information.

Mr. HALLEY. The places were wide open.

The CHAIRMAN. Let the record show that he has 1,733 arrests in 1950 and that 41 of them were for gambling and 518 for violation of road and driving laws. May we file this?

Mr. GUGEL. Sure.

The CHAIRMAN. All right, let's get on.

Mr. HALLEY. I won't ask any more.

Mr. NELLIS. Chief Gugel, I referred to some of these places as night clubs; is that right?

Mr. GUGEL. Some of the cafes have a license to 12 o'clock and others have them to 2, and that's the night clubs, the 2 o'clock.

Mr. NELLIS. Aren't there frequently serious crimes committed around these places?

Mr. GUGEL. No. You can read there the juke—that's on there what—I have been chief of police 5 years and we have no major crime that isn't solved in the city of Newport of 32,000 people.

Mr. NELLIS. You have heard of Clayton "Rip" Farley, haven't you?

Mr. GUGEL. That's right.

Mr. NELLIS. Didn't he hold up a crap table in the Yorkshire sometime in 1946?

Mr. GUGEL. He was shot up on York State in front of the Flamingo. That was in February.

Mr. NELLIS. 1946?

Mr. GUGEL. Yes, 22d, Washington's Birthday.

Mr. NELLIS. Isn't that right?

Mr. GUGEL. That's right.

Mr. NELLIS. Didn't that have something to do with a hold-up in one of these joints?

Mr. GUGEL. Well, if it was a hold-up, it wasn't reported.

Mr. NELLIS. You didn't make an investigation of it, in any event?

Mr. GUGEL. Well, sir, I told you Chief Donley takes care of all that.

Mr. NELLIS. You are not interested in what your chief of detectives does; is that right? You have no news from him that you can tell the committee about what you are doing to clean it up?

The CHAIRMAN. Mr. Gugel, did one of your men get in trouble in connection with some people from Miami who allegedly they were trying to frame at the instigation of some Miami gamblers? Do you remember that?

Mr. GUGEL. About 5 years ago Mr. Morleys, the city manager, handled that, sir.

The CHAIRMAN. What was that?

Mr. GUGEL. I says I don't know; Mr. Morleys handled that.

The CHAIRMAN. Weren't there some people out of Miami trying to frame some of the officials in Florida on trumped-up charges in Newport, Ky., and didn't you have to fire—didn't some detective get fired in connection with it?

Mr. GUGEL. Oh, no.

The CHAIRMAN. Do you remember?

Mr. GUGEL. There hasn't been nobody fired or suspended since I have been chief of police. I will say better than that, 5 years before that.

The CHAIRMAN. You mean nobody on your force has been fired or suspended?

Mr. GUGEL. No, sir.

The CHAIRMAN. Do you think your people get paid off or do you get paid off, Chief?

Mr. GUGEL. No; I don't.

The CHAIRMAN. Any presents or anything of that sort?

Mr. GUGEL. No, sir.

The CHAIRMAN. From these people? What do you think about your men who go around to these places? Do you think they are getting paid off for not closing them down?

Mr. GUGEL. I couldn't answer that. I don't know whether they do or not.

The CHAIRMAN. You don't know?

Mr. GUGEL. No, sir.

The CHAIRMAN. All right. Well, that's all, Mr. Gugel.

Mr. LESTER. Mr. Chairman, may I ask him a question?

The CHAIRMAN. Yes; you may ask a question, Mr. Lester.

Mr. LESTER. Mr. Gugel, the City Manager Rhoads testified to the committee that he made no distinction between gamblers that he characterized as local and those from elsewhere. State whether or not that is so.

Mr. GUGEL. Well, that is in regards to right after that order of May, Detective Chief Donley and them went out on——

Mr. LESTER. Do you have a copy of the city manager's order to you of May 4, 1950?

Mr. GUGEL. Yes; I have.

Mr. LESTER. File it with the committee, will you, please?

The CHAIRMAN. Let me see it.

Mr. GUGEL. Wait just a minute. Wait until I get a photostat. I got the original here in my pocket but I wouldn't like to lose it.

The CHAIRMAN. Is it long? Let's see it.

Mr. GUGEL. No, sir; it isn't long but I wouldn't like—I wouldn't like to lose it.

The CHAIRMAN. Well, will you read it if it is that long?

Mr. LESTER. I didn't ask you about that. Do you have a copy of the city manager's order given to you under date of May 4, 1950?

The CHAIRMAN. Well, Mr. Gugel, suppose you see if you can find it here and give it to us and then we will read it into the record and give it back to you.

Mr. LESTER. Did you have a meeting with the city manager after you received the order of May 4, 1950?

Mr. GUGEL. Yes. That was on February the 14th.

Mr. LESTER. What happened on February 14?

Mr. GUGEL. The city manager gave me an order. I don't know where it is at now. It was an order to go out and close up certain places and I assigned Donley and—Chief of Detectives and Hawthorne, Fredericks, and here is the letter which came.

Mr. LESTER. Did you have a meeting with the city manager after having received that order?

Mr. GUGEL. Yes, I did.

Mr. LESTER. Where was that meeting?

Mr. GUGEL. In the manager's office.

Mr. LESTER. That is in the city hall of Newport, Ky.?

Mr. GUGEL. That's right.

Mr. LESTER. Did you make a memorandum in writing concerning that meeting, a summary of what took place?

Mr. GUGEL. I did.

Mr. LESTER. Who attended the meeting?

Mr. GUGEL. Detectives Dave Donley, Ray Hawthorne, and Fredericks.

Mr. LESTER. They were present at the meeting with you, with the city manager, Rhoads?

Mr. GUGEL. That's right.

Mr. LESTER. You have with you that memorandum summarizing the meeting?

Mr. GUGEL. That's right.

Mr. LESTER. Signed by Detective Donley?

Mr. GUGEL. Hawthorne.

Mr. LESTER. Ray Hawthorne? Who is the other? Fredericks?

Mr. GUGEL. Leroy Fredericks.

Mr. LESTER. And yourself?

Mr. GUGEL. That's right. Do you want it?

The CHAIRMAN. Let him tell us what was said at the meeting. Let me see it.

Mr. LESTER. He will tell you, Mr. Chairman, and file with you a copy. I was going to hand you the two to compare them if you like. He has the original and would like to keep it.

The CHAIRMAN. Is Mr. Rhoads still here?

Mr. LESTER. Now, the——

The CHAIRMAN. I want to see if Mr. Rhoads is still here.

Mr. McCORMICK. He is here.

The CHAIRMAN. He is here. You stay here, Mr. Rhoads, and hear what is said.

Mr. RHOADS. Sure.

The CHAIRMAN. Here is a memorandum dated February 15. Do you swear this is true?

Mr. GUGEL. Yes, sir.

The CHAIRMAN. 1950, signed by Mr. Gugel.

4 p. m., February 15, 1950, I visited Manager Rhoads' office in company with Detective Chief Donley and Detective Hawthorne and Detective Fredericks. The purpose of the visit was to ascertain from the city manager what he desired to do in regard to the Merchants Club, 15 East Fourth Street, city, and the Yorkshire Club, 518 York Street, city, in regard to gambling, which information I received from Mr. Hagerdorn, Kentucky Post reporter, that the places were in operation.

Upon receiving this information I detailed a detective to make an investigation of this complaint.

I informed Manager Rhoads that Detective Chief Donley and Detectives Hawthorne and Fredericks informed me that at their visit at the herein-mentioned clubs, they found the doors leading to the back rooms were locked, and upon seeking permission to enter the back rooms, this was refused, and they were informed that in order to gain entrance it would be necessary for them to secure a search warrant.

Manager Rhoads informed me that he was not interested in the Merchants Club, at 15 East Fourth Street, or the Yorkshire Club, 518 York Street. The only places he was interested in were those owned and operated by Arthur Dennart which are the Flamingo Club, 63 York Street, Glenn Rendezvous, 928 Memphis Street, and Club Alexander, 2124 Monmouth Street, city, because Dennert was the only operator who filed suit in the quarterly court concerning his assessments of personal property.

Detective Chief Donley asked the manager, "You mean to tell me you do not want these other places stopped?" And the manager said no.

Detective Donley asked this question two or three times and the manager's answer was the same, "No. I am not interested in any of the places outside of the dinner clubs."

Is that what you think took place? That is your statement, is it?

Mr. GUGEL. Yes.

The CHAIRMAN. All right. Any further questions?

Mr. LESTER. Yes, sir. Chief Gugel, state whether or not by reputation the Yorkshire and the Merchants Clubs are operated by the Cleveland mob.

Mr. GUGEL. Yes, I had heard that.

Mr. LESTER. And Arthur Dennert's places referred to in this letter are not, are they, so far as you know?

Mr. GUGEL. No.

Mr. LESTER. What you have heard by way of reputation thereabouts. So then it is incorrect that the city manager made no distinction between the mob's operations in Newport, Ky., and those operated by what we will call local talent?

Mr. GUGEL. That's right.

The CHAIRMAN. All right, that is all, Mr. Gugel.

Mr. LESTER. That is all.

The CHAIRMAN. I just want to say, Mr. Gugel, that this is a very, very poor showing of law enforcement, from all the evidence that we have had. It does not show much inclination to do much about it. Further, we were very much disappointed that nothing came from the little help that we try to give you in connection with this bookie service. We thought we would have a warm reception but I don't think we even got the courtesy of acknowledgement to our letter.

Mr. GUGEL. I will check with Detective Chief Donley.

The CHAIRMAN. But we wrote you, Chief. It was you we were looking for.

Now, Mr. Rhoads, you have heard this statement. If you have anything to add——

Mr. RHOADS. Yes; I do have, Senator. In the first place, both places referred to, the Merchants Club and the Yorkshire, have been raided at my instigation. We were able to get in and found gambling equipment in both places. The letter that he refers to, the statement made in the memorandum, is absolutely untrue.

If you will read the letter that preceded this you will understand a little better possibly what happened. Mr. Lester filed suit, some 41 or 42 tax suits, against the city in an attempt to embarrass the city administration regarding the assessment of several clients. Among them there is the 633 Club, the Alexander Club, and I believe Smith's place, and he complained about the assessment as to the personal property there. So I asked the police to go and make a check of the personal property in those places to determine just what personal property was there and whether or not there was a basis for their complaint in order that we might prepare the proper defense, if there was any necessary.

Chief Gugel knows quite well that every order that has been given him has been to enforce the law, period.

The CHAIRMAN. That is all. Thank you, gentlemen.

Let's have Mr. Eldridge, very briefly. Mr. Eldridge, will you be sworn?

Do you solemnly swear that the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. ELDRIDGE. I do.

TESTIMONY OF GERALD ELDRIDGE, TOLEDO, OHIO

Mr. NELLIS. What is your name, please, and address?

Mr. ELDRIDGE. Gerald Eldridge, 1843 Alexis Road, Toledo, Ohio.

Mr. NELLIS. What is your occupation?

Mr. ELDRIDGE. Paint grinder for E. I. du Pont Co.

Mr. NELLIS. Didn't you get into an antigambling crusade as a result of some action taken by the township's school board?

Mr. ELDRIDGE. That is right. About 1946 we had a 17-year-old high-school boy who went into a local drug store in our township with money given him by his mother to make a purchase. There were slot machines in that drug store in which he lost that money, and without the nerve to face his folks, he entered a home in the attempt to steal money, and was caught and went before the juvenile authorities.

Mr. NELLIS. Yes. Mr. Eldridge—

The CHAIRMAN. Did he get sent up, or something?

Mr. ELDRIDGE. No. He was probated in custody.

Mr. NELLIS. As a result of that rather dramatic incident, the school board decided to do something about the gambling in Toledo and Lucas County?

Mr. ELDRIDGE. It wasn't the school board. It was the Washington Township Community Council, a group of organizations of civic-minded people in the township.

Mr. NELLIS. And you were at the head of that campaign, is that right?

Mr. ELDRIDGE. After this incident happened, about 2 years later I was elected president of this organization.

Mr. NELLIS. That was in about 1946, is that right?

Mr. ELDRIDGE. The incident was, yes.

Mr. NELLIS. Can you tell us about the gambling clubs that run there? Just give us their names in Toledo and Lucas County. Was there the Pines Club?

Mr. ELDRIDGE. The Pines Club is about a quarter mile west of my home on Alexis Road.

The CHAIRMAN. Are all of these places outside of the city of Toledo?

Mr. ELDRIDGE. Yes, they are.

The CHAIRMAN. In Lucas County?

Mr. ELDRIDGE. That's right.

Mr. NELLIS. And the Chesterfield Club on Dixie Highway?

Mr. ELDRIDGE. That's right.

Mr. NELLIS. And the Webster Inn on Detroit Avenue?

Mr. ELDRIDGE. That's right.

Mr. NELLIS. The Victory Club on Dorr and Westwood Avenue?

Mr. ELDRIDGE. That's right.

Mr. NELLIS. And the Westwood Club nearby, is that right?

Mr. ELDRIDGE. That's right.

Mr. NELLIS. Who owns these clubs, Mr. Eldridge?

Mr. ELDRIDGE. To the best of my knowledge, I can only account for three.

Mr. NELLIS. What are those, and tell us who you think owns them?

Mr. ELDRIDGE. The Benor Club, which is now closed, the Pines and the Chesterfield.

During this investigation on the slots, rackets, I was approached by a former deputy sheriff under Charles Hennessy.

Mr. NELLIS. Did he approach you at a specific time and place, do you recall?

Mr. ELDRIDGE. He called at my home and asked if he could speak to me.

Mr. NELLIS. What was his name?

Mr. ELDRIDGE. Edward Brubaker.

Mr. NELLIS. Is he a neighbor of yours?

Mr. ELDRIDGE. Yes, he is.

Mr. NELLIS. Proceed, Mr. Eldridge.

Mr. ELDRIDGE. He asked if he could call at my home and speak to me, and that I granted, and upon his arrival I stepped out to his car and spoke to him, and he asked me if I would be willing to meet with Joe Fretti, who I had suspected at that time of being one of the owners in the gambling establishments.

Mr. NELLIS. Particularly the Pines Club which was near your home, is that right?

Mr. ELDRIDGE. No, at that time I didn't. There was a man by the name of Whitney Joe Besesi was supposed to be the owner of the Pines, but upon Mr. Brubaker's invitation to meet with Mr. Fretti, which I accepted, we went in his car over to a place almost directly across from the Webster, a little restaurant called the Bellaire.

Mr. NELLIS. Can we place the time and the year?

Do you recall that?

Mr. ELDRIDGE. I believe I have it.

Mr. NELLIS. Would you put that in the record, please, Mr. Eldridge?

Mr. ELDRIDGE. I made a notation in my little book at the time.

Mr. NELLIS. You made that notation at the time this all took place?

Mr. ELDRIDGE. That's right, as soon as I got back home. Naturally I didn't make it in the presence of the party.

It was on the 21st day of May, on the corner of Pasadena and Detroit.

Mr. NELLIS. What year?

Mr. ELDRIDGE. Of 1948, I believe.

Mr. NELLIS. Go ahead.

Mr. ELDRIDGE. We met—that is, we removed ourselves from Mr. Brubaker's car and got into Mr. Fretti's car and carried on quite a little conversation.

Mr. NELLIS. Was it a pretty car, Mr. Eldridge?

Mr. ELDRIDGE. No. It was a Ford, a late model, but it was a Ford.

Now, at this time Mr. Fretti, of course, was interested in how far we were attempting to go with the investigation. My statement to him at that time was this: "At the present time we are only interested in the slot machines, but we intend to carry it before the grand jury, and we will ask the grand jury to make a complete investigation of gambling in Lucas County."

He at that time asked me this question: "Is the Pines objectionable to you?"

I made the following statement: "No more so to me than the rest of my neighbors, but on Sunday afternoon it is nearly impossible to get out of my driveway, dodging taxicabs and fish wagons."

He said, "Well, now, if the Pines is objectionable to you, I will close it down if you will leave the Benor Club go."

I said, "I can't make you any promises. We are investigating the slot machines. If it gets to the grand jury, I don't know what they will do."

The only other statement of any pertinency that I recall at that time was this—it was not a bribe offer—the only statement was, "Well, if you ever need anything, call me."

And he gave me his telephone number which is Garfield 2324 in Toledo.

Mr. NELLIS. And you thereupon left?

Mr. ELDRIDGE. That's right.

Mr. NELLIS. Did you go back to your home in Mr. Brubaker's car?

Mr. ELDRIDGE. That's right.

Mr. NELLIS. It was a pretty good prearranged plan?

Mr. ELDRIDGE. I would say so.

Mr. NELLIS. Well, all right. I have no further questions.

The CHAIRMAN. What did you do about it?

What happened? Did you ever get them closed up?

Mr. ELDRIDGE. By my signing an affidavit to this effect on a lawsuit brought by Flooze and Olinger by, I think the name is George and Grace Widmar, who were residents on Dorr Road objecting to the Benor Club, there was an injunction—a temporary injunction filed, and the Benor Club was subsequently closed.

Six hours after the Benor Club closed, the Chesterfield was in operation. We checked the moving vans moving the equipment out of the Benor Club and trailed them to the Chesterfield Club so we know that is exactly where they moved into.

Mr. NELLIS. So far as you know, the gambling ran wide open as recently as last week, is that right?

Mr. ELDRIDGE. Until 5 o'clock Monday morning the gambling houses were open, and on 7 o'clock on Tuesday morning—and I believe you moved in here at 8 o'clock on Tuesday morning—the slot machines were in.

The CHAIRMAN. What happened to the slots? Are they still in?

Mr. ELDRIDGE. Well, my first wind of what happened was about 9 o'clock. I pulled into the gas station in which I have purchased gas for some time, and I noticed the cabinet was closed, and I wondered what had happened. So, a pretty good source of information is the Sunset Grille which is across the street from Webster in a little sandwich shop which has slot machines, and inquiring of the waitress in there as to what happened, she says, "Oh, my God, things have blown up." She said, "They closed the place across the street yesterday morning."

I said, "Well, what about the slots?" She said, "They closed them up at 7 o'clock this morning." She said, "That is hot."

The CHAIRMAN. Well, they just pulled the cabinet——

Mr. ELDRIDGE. Just pulled the cover up on the cabinet.

The CHAIRMAN. So these same places operated during Hennessy's administration as well as——

Mr. ELDRIDGE. Sir, as far back as I can remember as a youngster, there have been slot machines on the edge of the city limits of Toledo, and there used to be quite a few inside of the city limits, until the present safety director went in, and told the boys that he wanted them to leave the city.

The CHAIRMAN. But I mean in the county they have been operating under Hennessy and under the present sheriff?

Mr. ELDRIDGE. That is right, sir.

The CHAIRMAN. The old Cleveland gang used to go down and operate the places, didn't they?

Mr. ELDRIDGE. I believe so. That is information which I never had, because I wasn't actively engaged in investigating at that time.

The CHAIRMAN. All right, Mr. Eldridge. Anything else? Thank you very much; I wish you luck.

Mr. ELDRIDGE. Thank you, sir.

The CHAIRMAN. All right, Mr. Joe Fretti.

Do you solemnly swear the testimony you shall give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. FRETTI. I do.

The CHAIRMAN. Let's take a 5-minute recess.

Sit down, Mr. Fretti, anywhere.

(Short recess.)

The CHAIRMAN. Before we start with Mr. Fretti, and immediately following the statement of Malcolm R. Rhoads, I would like to have the record show that Mr. Rhoads has filed the copies of the orders that he has given in connection with stopping gambling and what not in Newport, which will be made an exhibit.

(The documents identified were thereupon received in evidence as exhibit No. 76, and appear in the appendix on p. 475.)

TESTIMONY OF JOSEPH FRETTI, TOLEDO, OHIO

Mr. NELLIS. What is your name?

Mr. FRETTI. Joseph Fretti.

Mr. NELLIS. Where do you live?

Mr. FRETTI. 59 Kenilworth Drive, Toledo.

Mr. NELLIS. Have you ever been arrested?

Mr. FRETTI. Yes, sir.

Mr. NELLIS. For what?

Mr. FRETTI. Once for liquor violation, years ago, and a few times for gambling.

Mr. NELLIS. Were you in the bootlegging business?

Mr. FRETTI. I was.

Mr. NELLIS. That was prior to the repeal of prohibition; is that right?

Mr. FRETTI. That is right.

Mr. NELLIS. And have you been in the gambling business since?

Mr. FRETTI. Yes, I have, in and out.

Mr. NELLIS. Around Toledo?

Mr. FRETTI. Yes, sir.

Mr. NELLIS. Were you in the gambling business with Ben Aranoff and Joe Aranoff, of Detroit?

Mr. FRETTI. Yes, sir.

Mr. NELLIS. And one of your partners is Tony Paul; is that right?

Mr. FRETTI. That is correct.

Mr. NELLIS. Alias Nussio Scott?

Mr. FRETTI. I couldn't answer the alias. I know him as Tony Paul.

Mr. NELLIS. Well, his record went into this record yesterday, Mr. Chairman.

Can you name some of the clubs you operate in Toledo?

Mr. FRETTI. We operated the Webster, Devon, Evergreen—

Mr. NELLIS. The Evergreen?

Mr. FRETTI. That is correct.

Mr. NELLIS. Where is that, sir?

Mr. FRETTI. On Highway 25.

Mr. NELLIS. In Lucas County?

Mr. FRETTI. That is correct.

Mr. NELLIS. Any others?

Mr. FRETTI. Benor Road Club.

Mr. NELLIS. The Victory Club?

Mr. FRETTI. We have an interest in that.

Mr. NELLIS. With whom?

Mr. FRETTI. Abe Shapiro and Dave Bloomberg.

Mr. NELLIS. Who are they?

Mr. FRETTI. They are local men that have been there for years.

Mr. NELLIS. Do you know Joe Massey?

Mr. FRETTI. I have met him; yes.

Mr. NELLIS. Have you ever been in business with him when he was in the gambling business in Toledo?

Mr. FRETTI. In Toledo?

Mr. NELLIS. Yes.

Mr. FRETTI. Yes; he is in business right now, as a partner.

Mr. NELLIS. In what club?

Mr. FRETTI. He originally came in the Devon Club when we were operating the Devon Club.

Mr. NELLIS. With you and the Aranoffs?

Mr. FRETTI. At that time Lewis Walker was representing him. We didn't know who his partners were.

Mr. NELLIS. Who were all the partners in that operation?

Mr. FRETTI. Of which operation?

Mr. NELLIS. The one you are just talking about—Massey?

Mr. FRETTI. We were going to open up a club called the Hollywood, which never got opened.

Mr. NELLIS. Who were the people who were going to open it?

Mr. FRETTI. All I know is Lewis Walker represented their group.

Mr. NELLIS. Who is Lewis Walker?

Mr. FRETTI. A local man down there.

The CHAIRMAN. Right at this point, there is a rather interesting matter, Mr. Fretti.

Lewis Walker, a local man, was going to represent the Massey group out of Detroit. How did they do that? You mean they put up the money and then he fronts for them?

Mr. FRETTI. No, Senator. I think he was a partner of theirs. They came in and started building a club.

Before it was finished they came over and offered us a deal. Lewis Walker did. We accepted the deal.

The CHAIRMAN. You mean he was the spokesman for the group?

Mr. FRETTI. As far as we knew at the time, Lewis Walker was the boss.

The CHAIRMAN. Excuse me, sir. You go ahead.

Mr. NELLIS. And Joe Massey was associated with Lewis Walker in this venture; is that right?

Mr. FRETTL. I found that out after.

Mr. NELLIS. Can you give us Mr. Walker's address in Toledo? Do you remember it offhand?

Mr. FRETTL. Well, on Putnam Street. That is all I know.

Mr. NELLIS. Any other clubs in which Joe Massey was interested with you?

Mr. FRETTL. No, sir.

Mr. NELLIS. Now, Mr. Fretti, you have heard some testimony from Mr. Eldridge concerning an incident?

Mr. FRETTL. I did not hear the testimony.

Mr. NELLIS. Well, for your information he testified that at a certain time in May of 1948, I believe it was, a deputy sheriff named Brubaker arranged for him to meet you at a certain place in Toledo; is that right?

Mr. FRETTL. An ex-deputy, not a deputy.

Mr. NELLIS. Well, he was at that time a deputy?

Mr. FRETTL. No; he was not.

Mr. NELLIS. An ex-deputy?

Mr. FRETTL. That is correct.

Mr. NELLIS. Did he serve under Sheriff Hennessy?

Mr. FRETTL. That is correct.

Mr. NELLIS. And he testified that this Mr. Brubaker took him to a certain place to meet you, and that you and he had a conversation in a car.

Mr. FRETTL. That is correct.

Mr. NELLIS. And you asked him whether the Pines Club was objectionable to him.

Mr. FRETTL. That is correct, because he lived close by.

Mr. NELLIS. And what was his answer?

Mr. FRETTL. He said it was.

Mr. NELLIS. And then you asked him the extent of this antigambling campaign that he was running; is that right?

Mr. FRETTL. No.

Mr. NELLIS. Well, you said if they closed the Pines and let the Benor Club run, would that be okay?

Mr. FRETTL. I might have asked him that.

Mr. NELLIS. And then did you give him your telephone number and say if he ever needed anything, to call you up?

Mr. FRETTL. I did.

Mr. NELLIS. Now, do you know Sheriff Timiney?

Mr. FRETTL. Yes.

Mr. NELLIS. How well do you know him?

Mr. FRETTL. All my life.

Mr. NELLIS. The sheriff testified that you and he have been in each other's homes.

Mr. FRETTL. Not in my home.

Mr. NELLIS. But you have been in his?

Mr. FRETTL. I have been in his home.

Mr. NELLIS. Have you ever given him any money?

Mr. FRETTL. No, sir.

Mr. NELLIS. At any time?

Mr. FRETTL. At no time.

Mr. NELLIS. Have you ever given ex-Sheriff Hennessy any money?

Mr. FRETTI. No, sir.

Mr. NELLIS. At any time?

Mr. FRETTI. No, sir.

Mr. NELLIS. Well, how is it possible for you to operate these notorious joints without the open knowledge of the sheriffs?

Mr. FRETTI. We have two men on the door that make you show your social-security card, your driver's license.

Mr. NELLIS. Don't sheriffs carry social-security cards?

Mr. FRETTI. We wouldn't leave them in.

Mr. NELLIS. Go ahead.

Mr. FRETTI. You have got to show identification. That is all I can tell you, Mr. Nellis.

Mr. NELLIS. Is that your explanation of how these joints managed to remain open?

Mr. FRETTI. They are not open steady. They are open off and on.

Mr. NELLIS. Are you tipped off when the sheriff wants to close them?

Mr. FRETTI. No, sir.

Mr. NELLIS. Don't they call you up and say, "You had better get closed up, because we are coming"?

Mr. FRETTI. No, sir.

Mr. NELLIS. What is your explanation of how you have managed to stay open all this time? What do you think? Just a guess, if you have no explanation.

The CHAIRMAN. Well, he doesn't need to guess; he would know. [Laughter.]

Mr. NELLIS. I would rather have him start with a guess, Mr. Chairman.

Mr. FRETTI. Do I have to answer the question, Senator?

Mr. NELLIS. Surely.

Mr. FRETTI. I don't know. I am asking the Senator.

The CHAIRMAN. Well, I think it would be helpful to the committee.

Mr. FRETTI. The sheriff has so many men working in his office.

Mr. NELLIS. And you make your arrangements with them?

Mr. FRETTI. None whatever.

The CHAIRMAN. Let him tell how he does it.

Mr. FRETTI. Thank you.

Every employee of ours knows who the deputies are. We see to that, that they know who works for the sheriff's office.

That is my explanation.

Mr. NELLIS. You mean they get to know them personally?

Mr. FRETTI. No, sir.

Mr. NELLIS. What they look like?

Mr. FRETTI. What they look like. Every doorman knows by sight, and makes it a point to know, who the deputies are.

Mr. HALLEY. Mr. Fretti, is it really your position that for many years a game of fox and hounds has been going on between you and the sheriff?

Mr. FRETTI. We try to outwit them. That is correct.

Mr. HALLEY. And you really think he is trying to outwit you?

Mr. FRETTI. I think he is trying his best.

Mr. HALLEY. Do you think it would be very difficult for him to deputize two strangers on any particular night and see to it that they had social security cards and have them get into your club?

Mr. FRETTL. I couldn't answer that. I don't know your name. What is your name?

Mr. HALLEY. My name is Halley.

Mr. FRETTL. I couldn't answer that, Mr. Halley. I don't know the law well enough about that, whether it is legal to do that or not. I don't know.

Mr. NELLIS. But don't you think that if the sheriff used just a little bit of ingenuity, or if he really tried, you would be as easy to get as a sitting duck?

Mr. FRETTL. I don't think so. I don't know the laws, whether you could deputize people or not, or whether it would be legal arrest.

Mr. NELLIS. Well, in the interest of enforcement of the laws, then, would it be your position that the laws should be made more rigorous against gambling?

Mr. FRETTL. I wouldn't be in a neutral spot to answer that yes or no.

Mr. HALLEY. Well, is it that the law is stacked up against the sheriff, that the sheriff is dumb, or that he just isn't trying? Which of those three is it?

Mr. FRETTL. I think he tries to enforce the law.

Mr. HALLEY. He is just not as smart as the gambler?

Mr. FRETTL. I wouldn't say that. I won't answer that question.

Mr. HALLEY. Well, is the law stacked against the sheriff in this game you play?

Mr. FRETTL. I think there are a lot of weaknesses in the law.

Mr. HALLEY. Well, he has got to get a search warrant, of course, but that is basic American constitution law.

Mr. FRETTL. I don't know much about law.

Mr. HALLEY. But to get a search warrant, all he would need was the affidavits of a couple of citizens who have been in there.

Mr. FRETTL. That is a pretty hard thing to get, I believe.

Mr. HALLEY. Do you mean that there haven't been two citizens who gambled in your club who would be willing to give the sheriff an affidavit?

Mr. FRETTL. I don't know as to that. I couldn't answer that. I don't know.

Mr. HALLEY. And do you think that he couldn't get two people from, say, the next town, or even just come up here to Cleveland and hire two private detectives, and have them walk in there and find out what was going on?

Mr. FRETTL. Well, you are asking me something I can't answer. I don't know.

Mr. HALLEY. Thank you. I am sorry for the interruption.

Mr. NELLIS. I have nothing else.

Mr. HALLEY. In that case, I would like to go on.

The CHAIRMAN. Go ahead.

Mr. HALLEY. What is your net worth?

Mr. FRETTL. About \$200,000, \$250,000.

Mr. HALLEY. And have you had any occupation or business other than the gambling business?

Mr. FRETTI. As I told Mr. Nellis before, I was in the illegal liquor business.

Mr. HALLEY. You have had no legitimate occupation?

Mr. FRETTI. Just one. It was a failure. [Laughter.]

Mr. HALLEY. What was that?

Mr. FRETTI. The restaurant business.

Mr. HALLEY. When was that?

Mr. FRETTI. Back about 34, 35 years ago.

Mr. HALLEY. And since then you have stuck to the more profitable enterprises?

Mr. FRETTI. Well, if you could call it that.

Mr. HALLEY. Would it then be true that your net worth, which is, you say, about \$200,000 to \$250,000—

Mr. FRETTI. Yes.

Mr. HALLEY. Has been made almost exclusively out of illegal enterprises?

Mr. FRETTI. That is right. Practically all of it.

Mr. HALLEY. Thank you.

Mr. NELLIS. May I ask one additional question, Mr. Chairman?

Have you invested that money?

Mr. FRETTI. Have I?

Mr. NELLIS. Yes.

Mr. FRETTI. No; I haven't.

Mr. NELLIS. Do you have it in securities?

Mr. FRETTI. Mostly in securities.

Mr. NELLIS. Only that one failure, is that right? That legitimate business failure that you talked about?

Mr. FRETTI. That is right.

Mr. NELLIS. Did you ever meet Joe Massey personally?

Mr. FRETTI. I met him once.

Mr. NELLIS. Where was that?

Mr. FRETTI. Let's see, twice. Down in Miami.

Mr. NELLIS. Both times, sir?

Mr. FRETTI. That is right.

Mr. NELLIS. And who introduced you to him?

Mr. FRETTI. I don't recollect at this time who did.

Mr. NELLIS. I have no more questions.

The CHAIRMAN. Where did you meet Mr. Massey in Miami?

Mr. FRETTI. I met him in front of the Grand Hotel.

The CHAIRMAN. Is that where you stayed, at the Grand?

Mr. FRETTI. No, sir.

The CHAIRMAN. Where did you stay?

Mr. FRETTI. I always stayed up around Hollywood.

The CHAIRMAN. I believe Joe Massey has a penthouse on top of the Grand Hotel, doesn't he?

Mr. FRETTI. I have never been there.

The CHAIRMAN. Never been there?

Mr. FRETTI. No, sir.

The CHAIRMAN. Now, for quite a number of years, the licenses, or some years back, the liquor license and the restaurant license and the assessment—I mean, the property license for several of these places was listed in the name of a man who lived in Detroit, wasn't it?

Mr. FRETTI. That is correct.

The CHAIRMAN. Who was that?

Mr. FRETTL. Hyman Chait. He doesn't live in Detroit.

The CHAIRMAN. But he had an office there?

Mr. FRETTL. No, the attorney for him had an office.

The CHAIRMAN. Well, anyway, all the tax assessments were supposed to be sent to an address in Detroit?

Mr. FRETTL. To a Mr. Lipski of Detroit, an attorney.

The CHAIRMAN. What is his name?

Mr. FRETTL. Lipski. I really don't know the first name.

The CHAIRMAN. And what was his address? Well, I have it.

Mr. FRETTL. Well, it would be a downtown office building. I don't know.

The CHAIRMAN. How did the bills for taxes and what not happen to be sent to Mr. Lipski?

Mr. FRETTL. He represents Hyman Chait.

The CHAIRMAN. Who?

Mr. FRETTL. Chait, C-h-a-i-t.

The CHAIRMAN. Is he in all of these things with you, Hyman Chait?

Mr. FRETTL. No; he is not.

The CHAIRMAN. Which one is he in?

Mr. FRETTL. The real estate is in his name.

The CHAIRMAN. You have an interest in the real estate, too, don't you?

Mr. FRETTL. Yes; I do.

The CHAIRMAN. Do you operate on that basis of having a separate corporation for the real estate and then a separate partnership for the operation?

Mr. FRETTL. That's correct.

The CHAIRMAN. That is what you do?

Mr. FRETTL. That's right.

The CHAIRMAN. What do you do that for?

Mr. FRETTL. To avoid suits, lawsuits.

The CHAIRMAN. That is a very forthright answer. You mean you don't want to get your real estate tied up with——

Mr. FRETTL. With lawsuits.

The CHAIRMAN. In case they attach your property for gambling, why, you don't want to get your real estate tied up?

Mr. FRETTL. That's correct.

The CHAIRMAN. Is Mr. Chait also in the gambling operations?

Mr. FRETTL. No; he is not.

The CHAIRMAN. But he is just your partner in the ownership of the real estate?

Mr. FRETTL. That's right.

The CHAIRMAN. And I believe you named Ben Aranoff, Joe Aranoff, Joe Fretti——

Mr. FRETTL. I am Joe Fretti.

The CHAIRMAN. You are Joe Fretti.

Tony Paul?

Mr. FRETTL. Yes.

The CHAIRMAN. Dave Appelbaum, Al Schwab, Joe Arington, Jack Stearns, Walter——

Mr. FRETTL. Pardon me. A lot of them are not with us any more.

The CHAIRMAN. They have all been with you off and on?

Mr. FRETTI. They were back in 1943 or 1944.

The CHAIRMAN. The current ones are you and your brother Ben?

Mr. FRETTI. My brother Ben is not in the gambling business.

The CHAIRMAN. Who are your current partners?

Mr. FRETTI. At the present time, well, there is——

The CHAIRMAN. Tony Paul.

Mr. FRETTI. Tony Paul, Louis Walker, Harry Leonard, Ben Cohen.

Mr. NELLIS. Who is that?

Mr. FRETTI. Ben Cohen and, well, Joseph Morrissey.

The CHAIRMAN. Joseph who?

Mr. FRETTI. Morrissey.

The CHAIRMAN. Morrissey?

Mr. FRETTI. That's correct.

The CHAIRMAN. Where does he live?

Mr. FRETTI. Toledo, all of them.

The CHAIRMAN. All of them live in Toledo now?

Mr. FRETTI. That's correct.

The CHAIRMAN. Some came over from Detroit, didn't they?

Mr. FRETTI. No. They have all been local, except, as I said before, Joe Massey.

The CHAIRMAN. Except Massey and his interest——

Mr. FRETTI. They are all local.

The CHAIRMAN. And the clubs are the Pines, Benor, Chesterfield——

Mr. FRETTI. What was the second one?

The CHAIRMAN. Benor.

Mr. FRETTI. That's right.

The CHAIRMAN. That is closed now, isn't it?

Mr. FRETTI. That is.

The CHAIRMAN. Chesterfield, Webster, Victory, and Westwood, and Evergreen?

Mr. FRETTI. Yes; but they are not all in operation.

The CHAIRMAN. What?

Mr. FRETTI. They are not all in operation, and never have been at one time.

The CHAIRMAN. How many were in operation last week?

Mr. FRETTI. Two.

The CHAIRMAN. Which ones?

Mr. FRETTI. Webster and Victory.

The CHAIRMAN. And they closed down Monday morning?

Mr. FRETTI. A week ago last Sunday morning or Monday morning.

The CHAIRMAN. At the Webster Club you have a place there where the bus comes in from Detroit and it stops right in a little waiting house right in front of the Webster Club, doesn't it?

Mr. FRETTI. Going back to Detroit, some of the local busses.

The CHAIRMAN. There is a place where the people stay out of the rain?

Mr. FRETTI. That's right, the local busses.

The CHAIRMAN. You get most of your customers, or a great many of them, by bus from Detroit?

Mr. FRETTI. There's a lot of customers come over, yes, sir.

The CHAIRMAN. Automobiles driving over?

Mr. FRETTI. That's right.

The CHAIRMAN. It is a favorite place, really, I mean, for the Detroit people to come to. It is only 50 miles, isn't it?

Mr. FRETTI. Good roads, 50 miles away from Detroit, sir.

The CHAIRMAN. You also have interests in slot machines?

Mr. FRETTI. I do not.

The CHAIRMAN. Don't you?

Mr. FRETTI. No, sir.

The CHAIRMAN. You didn't have?

Mr. FRETTI. Never.

The CHAIRMAN. You never have?

Mr. FRETTI. No, sir.

The CHAIRMAN. You have slot machines in your place?

Mr. FRETTI. In the places?

The CHAIRMAN. Yes.

Mr. FRETTI. That's right.

The CHAIRMAN. You have horse books in some of them?

Mr. FRETTI. When we are in operation, that's right, in both places.

The CHAIRMAN. Sir? In both of them?

Mr. FRETTI. That's right.

The CHAIRMAN. Where do you get your wire service from?

Mr. FRETTI. I couldn't tell you the truth. I never looked into that, sir; it is a separate end of the business. I don't know where; they pay their service by check. Whom it is made out to, I do not know; I could not answer.

The CHAIRMAN. You don't know whether it comes out of Windsor, Canada, or whether it comes out of Youngstown?

Mr. FRETTI. Well, the checks would show; the canceled checks would show where they are at. They are paid weekly.

The CHAIRMAN. In order to operate a horse room you have to have wire service?

Mr. FRETTI. That's correct.

The CHAIRMAN. You say, Mr. Fretti, that there isn't any ice taken out of the business for any kind of protection so far as you are concerned?

Mr. FRETTI. No, sir.

The CHAIRMAN. Well, Mr. Fretti, I must say that, while I hope they catch up with you and put you out of business, you certainly have been frank and forthright to the committee, and the information you have given has been very helpful to us. That's all, sir.

Mr. FRETTI. Thank you.

The CHAIRMAN. Mr. Ault and Mr. Topmiller.

Do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. AULT. I do.

Mr. TOPMILLER. I do.

TESTIMONY OF FLOYD E. AULT, OFFICER IN CHARGE, UNITED STATES IMMIGRATION AND NATURALIZATION SERVICE, CLEVELAND, OHIO, AND EDWIN B. TOPMILLER, ASSISTANT OFFICER IN CHARGE

The CHAIRMAN. I want to make it clear that Mr. Topmiller may be sitting over here on Mr. Ault's left but does not appear as counsel. He happens to come from Nashville, Tenn., where I have known his family a long, long time.

All right, Mr. Halley.

Mr. HALLEY. What is your full name and position, Mr. Ault?

Mr. AULT. Floyd E. Ault. I am officer in charge, Immigration and Naturalization Service, in Cleveland subdistrict.

Mr. HALLEY. How long have you been in the Immigration Service?

Mr. AULT. Since 1924.

Mr. HALLEY. And, Mr. Topmiller, what is your full name and position?

Mr. TOPMILLER. Edwin B. Topmiller, assistant officer in charge, United States Immigration and Naturalization Service, Cleveland.

Mr. HALLEY. How long have you been in the service?

Mr. TOPMILLER. Something over 10 years.

Mr. HALLEY. I will address my questions to Mr. Ault; but, if they can be more appropriately answered by Mr. Topmiller, that will be perfectly satisfactory.

Mr. Ault, did the Immigration and Naturalization Service, under your direction, apprehend a man by the name of Salvatore Guarino during the month of August, the year 1948?

Mr. AULT. Yes; we did. However, I would like to state that, since Mr. Topmiller has more intimate knowledge of that particular situation, I think that further questions regarding him should be addressed to him.

Mr. HALLEY. Thank you.

The CHAIRMAN. Will you sit up a little closer, Mr. Topmiller?

Mr. HALLEY. Mr. Topmiller, did you personally apprehend Guarino?

Mr. TOPMILLER. No, sir.

Mr. HALLEY. Was he apprehended under your direction?

Mr. TOPMILLER. Yes, sir.

Mr. HALLEY. Where was he found?

Mr. TOPMILLER. At the Richmond Country Club. I believe the address is Richmond and Highland Roads, Richmond Heights.

Mr. HALLEY. Have you checked the records to ascertain the owners of the Richmond Country Club?

Mr. TOPMILLER. No.

Mr. HALLEY. Under what conditions was Guarino found at the Richmond Country Club?

Mr. TOPMILLER. May I tell the story from the beginning?

Mr. HALLEY. I prefer to just cover certain salient points. Well, keep it down to the basic points and go ahead.

Mr. TOPMILLER. In August 1948, a vessel arrived from Italy at the port of Philadelphia. Serving as seaman on that vessel were three men. The immigrant inspector was not satisfied with whether they were bona fide seamen, and they were ordered detained on board as mala fide seamen.

One of those three men was named Guisepppe Brancato. After the three men were ordered detained on board they were visited aboard that vessel by Frank Brancato of Cleveland and Frank Nicoletti of Philadelphia. Shortly after Mr. Brancato and Mr. Nicoletti left the vessel, the three mala fide seamen were discovered to be missing. The Philadelphia office reported this to us and asked us to conduct appropriate investigation here simultaneously with their Philadelphia investigation, to try to locate these men.

I assigned the case to Investigator Nuckles, who was then stationed in Cleveland, and told him to check all of the places where he thought or where he felt Brancato might have sufficient interest to possibly have the aliens who had escaped from this vessel.

In the course of that check, Investigator Nuckles, together with Deputy Sheriff Nichols of Cuyahoga County, visited the Richmond Country Club and there they found an alien or an individual, I should say, who was unable to speak a word of English and who was working in the kitchen.

They took him upstairs to get his coat and hat, so as to bring him downtown where they could question him, and he pointed out a cot in the upper floor of the Richmond County Club where he had slept and said he had slept the night before. Standing next to the cot, leaning against it, was a loaded double-barreled, 12-gage shotgun. The alien stated that he didn't know who the shotgun belonged to, had no knowledge of its origin or anything of that nature. It was there when he came, so he said.

He was brought to the office and the statement was taken from him, under oath, by Investigator Nuckles, and at that time he told a rather impossible story of having entered the United States through the port of New York: That man's name was Salvatore Guarino, the man that you just referred to, and he has since been deported.

MR. HALLEY. To keep the record straight, there is no evidence whatsoever that Guarino was one of the three men who were aboard the boat in Philadelphia; is that right?

MR. TOPMILLER. Guarino was not one of the three men who was aboard the boat in Philadelphia.

MR. HALLEY. It was a coincidence that he was discovered?

MR. TOPMILLER. Guarino was simply apprehended as a coincidence in the course of our looking for these other men.

MR. HALLEY. It was ascertained—was it not?—that Guarino was an alien?

MR. TOPMILLER. Yes; he was subsequently deported.

MR. HALLEY. For having entered the country illegally?

MR. TOPMILLER. Illegally, correct.

MR. HALLEY. In fact, he had been smuggled in; is that right?

MR. TOPMILLER. We were never able to determine exactly how the man did get into the country. We took his sworn statement and the lack of any verification of it, although the statement itself described the method of entry which succeeded in convincing us only that he did not come in the way he described.

MR. HALLEY. Even by his own description, though, his entry was on false papers and illegal?

MR. TOPMILLER. Oh, yes; definitely his entry was illegal by his own admission.

MR. HALLEY. You personally through an interpreter took a statement; is that right?

MR. TOPMILLER. No; Investigator Nuckles took the statement through an interpreter.

MR. HALLEY. Under your direction?

MR. TOPMILLER. Under my direction.

MR. HALLEY. And you are familiar with that statement?

MR. TOPMILLER. I am.

Mr. HALLEY. In the course of the statement, did he state that after leaving the boat on which he came to this country he went to the home of a friend named Salvatore Ingrassia at 84 Bay Thirteenth Street, Brooklyn, N. Y.?

Mr. TOPMILLER. That's correct.

Mr. HALLEY. That is right?

Mr. TOPMILLER. Yes.

Mr. HALLEY. Then it is my understanding that he said he came to Cuyahoga Falls?

Mr. TOPMILLER. Yes.

Mr. HALLEY. And there visited another friend, Frank LaCassio?

Mr. TOPMILLER. Frank LaCassio, I believe was the alien's uncle.

Mr. HALLEY. At least, so he said?

Mr. TOPMILLER. He said he was a relative, and we later ascertained or received information that he was his uncle. The alien said he was a relative but did not describe the degree of relationship.

Mr. HALLEY. At what place did he visit Frank LaCassio? Did you check that?

Mr. TOPMILLER. According to sworn statement, he went to Frank LaCassio at the Tallmadge Country Club.

Mr. HALLEY. What is the nature of the Tallmadge Country Club?

Mr. TOPMILLER. That I don't know personally.

Mr. HALLEY. Then, according to his statement, he left the Tallmadge Country Club, took a bus, went to the Richmond Country Club and asked for employment there; is that correct?

Mr. TOPMILLER. That was a part of his sworn statement, yes.

Mr. HALLEY. Did he state that he was told at the Richmond Club that he would have to see a man named Mr. Milano, the boss?

Mr. TOPMILLER. That's correct.

Mr. HALLEY. At the time of his apprehension he was waiting for Mr. Milano?

Mr. TOPMILLER. That was his plan, although the officer reported that they found him employed in the kitchen.

Mr. HALLEY. Thank you.

Mr. NELLIS. I have no questions.

The CHAIRMAN. Do you want to add anything to that, Mr. Ault?

Mr. AULT. No; I have nothing further to add to that, Senator.

Mr. TOPMILLER. May I, Senator, add the fact that, subsequent to his statement that he had been at Frank LaCassio's place in Akron, I assigned an investigator to make an inquiry into a series of telephone numbers which were found on the alien's person when he was apprehended, and of that series of numbers the investigator found that they were a group assigned—or I don't suppose you want to clutter up the record with all of the individual numbers, but they were assigned to Joseph LaCassio, Frank LaCassio, Thomas Bruno, Joseph Amato, and Carmella Pelle, all of either Akron or Cuyahoga Falls, and another number which was an unlisted number assigned to Thomas Bruno at Tommy's Cafe in Cuyahoga Falls.

In the course of that same investigation, Joseph LaCassio at the All Nations Club on East Tallmadge Street in Akron was also interviewed and in spite of the alien's statement that he had stayed with Frank LaCassio at the Tallmadge Country Club, Joseph LaCassio told the investigator the alien had been there for approximately 3

weeks before he went to Cleveland and he didn't know just exactly where he went in Cleveland.

Mr. HALLEY. Did you ever ascertain from where the alien came?

Mr. TOPMILLER. Yes; he was Italian.

Mr. HALLEY. Any particular part of it, though?

Mr. TOPMILLER. Yes; Palermo, Sicily.

Mr. HALLEY. No other questions.

The CHAIRMAN. How old was this fellow?

Mr. TOPMILLER. This man was born March 25, 1925, Senator.

The CHAIRMAN. Twenty-five years old?

Mr. TOPMILLER. He was then 23, I believe.

The CHAIRMAN. Thank you very much, Mr. Ault and Mr. Topmiller.

Mr. Milano. will you stand up? Do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. MILANO. Yes.

The CHAIRMAN. Your name?

Mr. KENNEDY. Joseph W. Kennedy, attorney, representing Mr. Milano.

The CHAIRMAN. Your office?

Mr. KENNEDY. 625 Hanna Building, Cleveland, Ohio.

The CHAIRMAN. All right, Mr. Nellis.

TESTIMONY OF ANTHONY MILANO, CLEVELAND, OHIO, ACCOMPANIED BY JOSEPH W. KENNEDY, ATTORNEY, CLEVELAND, OHIO

Mr. NELLIS. What is your full name, please?

Mr. MILANO. Anthony Milano.

Mr. NELLIS. What is your address?

Mr. MILANO. 2759 Edgehill.

Mr. NELLIS. Where were you born, Mr. Milano?

Mr. MILANO. I born in Italy.

Mr. NELLIS. What part of Italy?

Mr. MILANO. On the end.

Mr. NELLIS. Pardon me?

Mr. MILANO. Right on the end from the Ridge Calumma.

Mr. NELLIS. Milanaise?

Mr. MILANO. No; Ridge Calumma.

Mr. NELLIS. Are you related to Frank Milano?

Mr. MILANO. That's my brother.

Mr. NELLIS. Where is he living?

Mr. MILANO. He is in Mexico?

Mr. NELLIS. In Mexico?

Mr. MILANO. Yes.

Mr. NELLIS. Have you ever been arrested?

Mr. MILANO. A long time ago.

Mr. NELLIS. For what offenses?

Mr. MILANO. For counterfeit.

Mr. NELLIS. Counterfeiting?

Mr. MILANO. Yes, sir.

Mr. NELLIS. That was about 1912?

Mr. MILANO. 1911 and 1912.

Mr. NELLIS. And you spent 6 years in Leavenworth for that offense?

Mr. MILANO. Fifty-four months, fifty-five months.

Mr. NELLIS. Six years was the sentence but you spent 54 months in Leavenworth; is that right?

Mr. MILANO. Right.

Mr. NELLIS. Your brother Frank at that time was involved in that same case with you, wasn't he?

Mr. MILANO. No; he was not.

Mr. NELLIS. You were both indicted together, weren't you?

Mr. MILANO. No.

Mr. NELLIS. He was acquitted at the same time?

Mr. MILANO. We was pinched together but he was acquitted.

Mr. NELLIS. He was acquitted at the same time?

Mr. MILANO. That's right.

Mr. NELLIS. What is your business, Mr. Milano?

Mr. MILANO. Well, I am in charge of the loan company and Mayfield Importing Co.

The CHAIRMAN. I didn't understand.

Mr. KENNEDY. Brotherhood Loan and Mayfield Importing Co.

The CHAIRMAN. Brotherhood Loan and Mayfield Importing Co.?

Mr. KENNEDY. Yes, sir.

Mr. NELLIS. What is the Brotherhood Loan? Is that a bank?

Mr. MILANO. Well, it is no common bank, it is only loan. We didn't get no savings.

Mr. NELLIS. A small-loan outfit?

Mr. MILANO. Small-loan outfit.

Mr. NELLIS. Do you have the Loretto Publishing Co. also?

Mr. MILANO. No, I never had nothing to do with the Loretto.

Mr. NELLIS. You never had anything to do with it?

Mr. MILANO. No.

Mr. NELLIS. Do you know Mr. Arthur B. McBride?

Mr. KENNEDY. Pardon me, Mr. Nellis, just a moment. This company rents from this Loretto Publishing Co.—rents from Mr. Milano, just to keep the record straight.

Mr. NELLIS. Loretto rents the premises from Mr. Milano?

Mr. MILANO. That's right.

Mr. NELLIS. Is that right? I asked if you know Mr. Arthur B. McBride?

Mr. MILANO. Yes.

Mr. NELLIS. How long have you known him?

Mr. MILANO. Oh, I must have known him for about 1926, 1924, 1925; I don't know. I don't remember exactly the year.

Mr. NELLIS. How did you meet him, Mr. Milano?

Mr. MILANO. I think I met him on Mayfield. He was solicitor for the paper at that time.

Mr. NELLIS. When Mr. McBride was in the circulation department?

Mr. MILANO. That's right.

Mr. NELLIS. Of the Cleveland Leader, was it?

Mr. MILANO. I don't know if it was the News or the——

Mr. NELLIS. Yes. Did you work for him, Mr. Milano?

Mr. MILANO. I no work for him.

Mr. NELLIS. Did you ever have any business dealings with Mr. McBride?

Mr. MILANO. No, sir.

Mr. NELLIS. Do you know Louis Rothkopf?

Mr. MILANO. I know him.

Mr. NELLIS. How well do you know him?

Mr. MILANO. Well, occasionally I see him, every once in a while.

Mr. NELLIS. Ever have any business dealings with him?

Mr. MILANO. No, sir.

Mr. NELLIS. Or Morris Kleinman?

Mr. MILANO. No, sir.

Mr. NELLIS. Now, Mr. Milano, you heard the testimony here by Mr. Floyd Ault and Mr. Topmiller, did you?

Mr. MILANO. No.

Mr. NELLIS. Weren't you in the room when they testified before this—

Mr. MILANO. Oh, yes; I heard it.

Mr. NELLIS. You heard that?

Mr. MILANO. Yes.

Mr. NELLIS. Guarino? Is that right?

Mr. MILANO. I don't know this man.

Mr. NELLIS. What have you got to say about that?

Mr. MILANO. About what?

Mr. NELLIS. About his being found in the Richmond Country Club.

Mr. MILANO. Let's get this thing clear. I want you to know that the Richmond Country Club is a bona fide organization.

Mr. NELLIS. Is a what?

Mr. MILANO. Is a bona fide organization.

Mr. NELLIS. What kind of an organization is it?

Mr. MILANO. It is social and welfare.

Mr. NELLIS. Does Mr. Al Polizzi belong to it?

Mr. MILANO. No, sir.

Mr. NELLIS. Who belongs to that organization?

Mr. MILANO. Well, we have—

The CHAIRMAN. Generally we don't want you to name everybody who belongs to it.

Mr. MILANO. I know they have three kinds of members there. I am a member, too, over there. I be member since 1928.

We have stockholder member, we have social member, we have "A" member, they call them, the original members of the club.

Mr. NELLIS. You are the original—

Mr. MILANO. I was one of the original.

Mr. NELLIS. And your son Peter is an officer of the club, is that right?

Mr. MILANO. Yes.

Mr. NELLIS. And your auditor, Mr. Ignio H. Ceraldi is a treasurer of that club; is that right?

Mr. MILANO. That's right.

Mr. NELLIS. Have you anything to say with respect to why this person was found on the premises of your club?

Mr. MILANO. I don't know.

Mr. NELLIS. You have no explanation for it?

Mr. MILANO. I can't give you no explanation. I know something happen like that. This one come over, asked for a job. Of course, the office, when they find out, they want to know what it was all about and they report to us. This is what I heard. This fellow, he went over there one night and asked to work. They find out he have no

social security, and tell him he can't no work, but he come one morning about 11 o'clock. He stay there 4 or 5 hours.

Mr. KENNEDY. May I suggest something here? Shall I find out what Mr. Milano's connection with the management of the club was at that time?

Mr. NELLIS. You ask him that.

The CHAIRMAN. You ask him that question, Mr. Nellis.

Mr. NELLIS. Mr. Chairman, I don't want to ask that question at this time.

The CHAIRMAN. Go ahead in your own way.

Mr. KENNEDY. Go ahead. Pardon me.

Mr. NELLIS. Do you know Mickey Cohen?

Mr. MILANO. Yes.

Mr. NELLIS. How well do you know him?

Mr. MILANO. Well, we friend.

Mr. NELLIS. Have you ever lent him any money?

Mr. MILANO. No, sir.

Mr. NELLIS. Do you know Jack Dragna?

Mr. MILANO. Yes, sir.

Mr. NELLIS. How well do you know him?

Mr. MILANO. I just saw him once.

Mr. NELLIS. Where did you meet him?

Mr. MILANO. In my home.

Mr. NELLIS. Here in Cleveland?

Mr. MILANO. In California.

Mr. NELLIS. You have a home in California?

Mr. MILANO. Yes.

Mr. NELLIS. What other homes do you have?

Mr. MILANO. What?

Mr. NELLIS. What other homes do you have?

Mr. MILANO. Where I live now.

Mr. NELLIS. You have a home in Cleveland?

Mr. MILANO. Yes.

Mr. NELLIS. What other property do you have, Mr. Milano?

Mr. MILANO. The only property I got is in California. I got some here, but it is not really mine, it belongs to the bank and I pay the mortgage; when I pay the mortgage the place is mine, because I got a big mortgage on the property.

Mr. KENNEDY. There is the property on Mayfield Road, where he has his importing company, and also where he leases to this publishing company, all on Mayfield Road, his home in Cleveland, and the home in California.

Mr. NELLIS. Do you have any cars?

Mr. MILANO. No, sir.

Mr. NELLIS. Does your wife?

Mr. MILANO. No. My wife, she can't drive no car.

Mr. NELLIS. Can you estimate your net worth?

Mr. MILANO. What?

Mr. NELLIS. Can you estimate your net worth—what you are worth?

Mr. KENNEDY. If you pay your debts, how much are you worth?

Mr. MILANO. If I pay my debts today, my obligations, maybe I no worth nothing.

Mr. NELLIS. You owe more than you are worth; is that right?

Mr. MILANO. That's right.

Mr. NELLIS. Getting back to this Richmond Club, you said it was a beneficial club of some kind?

Mr. MILANO. That's right.

Mr. NELLIS. With various kinds of membership?

Mr. MILANO. That's right.

Mr. NELLIS. Who owns the property on which the club is built?

Mr. MILANO. Well, it is the stockholders.

Mr. NELLIS. It is the corporation formed in 1931?

Mr. MILANO. That's right.

Mr. NELLIS. Were you active in forming it?

Mr. MILANO. Been over there. I was one who tried to build up the club.

Mr. NELLIS. Who were your associates in that?

Mr. MILANO. It is mostly society and club and some business people.

Mr. NELLIS. Who? Can you name some of them?

Mr. MILANO. Well, I don't remember exactly.

Mr. KENNEDY. Is Peter Leonard one of them?

Mr. MILANO. Well, Peter Leonard is the secretary.

Mr. NELLIS. Is Al Polizzi one of them?

Mr. MILANO. No, sir.

Mr. NELLIS. Your brother Frank?

Mr. MILANO. No.

Mr. NELLIS. The Angersola brothers?

Mr. MILANO. No, sir.

Mr. NELLIS. Anthony Civetta—do you know him?

Mr. MILANO. I don't think I know him.

Mr. NELLIS. I asked if you know him, and you don't know him?

Mr. MILANO. I don't think I know him.

Mr. NELLIS. Is it the same place in which some time in the thirties there was a gambling place called Ohio Villa?

Mr. MILANO. I don't know. Maybe there was. They rented that place for social club, then they turned to big gambling, and the officers for the club, they canceled the lease.

Mr. NELLIS. It was closed down because it was a gambling club?

Mr. MILANO. Yes.

Mr. NELLIS. Did you have any other incidents of any occurrences where people were found on the premises of the Richmond Country Club as this person Guarino was found?

Mr. MILANO. No other cases of that kind. I don't know.

Mr. NELLIS. Never called to your attention?

Mr. MILANO. No, sir.

Mr. NELLIS. I have no further questions at this time.

The CHAIRMAN. Mr. Halley.

Mr. HALLEY. Do you know Jack Dragna?

Mr. MILANO. Yes, sir.

Mr. HALLEY. How long have you known him?

Mr. MILANO. I just met him once—I tell you exactly when I met him. I think in 1947 or 1948. I think it is 1947. I just went out to California to see my family, and one night he get in and he invite me to attend the wedding. You know, he had his daughter getting married. He wanted me and my family to go over there to the wedding, and I told him it was impossible for me because I am too busy here, and he said try to send the family, and I think my family went.

Mr. HALLEY. At that time you had never met him?

Mr. MILANO. No.

Mr. HALLEY. But he invited your family to the wedding anyhow?

Mr. MILANO. That's right.

Mr. HALLEY. Was there a particular reason for that, that you can think of?

Mr. MILANO. The only reason I can see is because maybe he heard my name so many times, he know I was over with the family and he invited me, that's it.

Mr. HALLEY. Did you have many friends together?

Mr. MILANO. What?

Mr. HALLEY. Did you have mutual friends?

Mr. MILANO. When?

Mr. HALLEY. You and Jack Dragna, did you know a lot of people who knew each other?

Mr. MILANO. Well, I just met him once, I told you, in my home. He stay there about 20 minutes.

Mr. KENNEDY. Did you have lots of friends in common, people he knew and people that you knew?

Mr. MILANO. I don't know; no.

Mr. HALLEY. Who took him to your home?

Mr. MILANO. Himself.

Mr. HALLEY. All by himself?

Mr. MILANO. No. He just talked to me.

Mr. HALLEY. Did he come to your home?

Mr. MILANO. That's right.

Mr. HALLEY. Did somebody bring him?

Mr. MILANO. No; he was alone.

Mr. HALLEY. Did somebody come up and say that Jack Dragna is coming to your house?

Mr. MILANO. No. I don't recall somebody call up. I don't think so.

Mr. HALLEY. Was there no introduction at all?

Mr. MILANO. No introduction whatsoever.

Mr. HALLEY. Jack Dragna just walked in one day?

Mr. MILANO. Just walked in; and he know my name, and he say he know me from Cleveland, and "You are with the family here."

Mr. HALLEY. Do you know Girolamo Adamo?

Mr. MILANO. I don't know.

Mr. HALLEY. MoMo Adamo?

Mr. MILANO. No.

Mr. HALLEY. How long have you known Mickey Cohen, since his Cleveland days?

Mr. MILANO. Well, do you want me to cut it short, or give you the whole story about it?

Mr. HALLEY. Let's have the works.

Mr. KENNEDY. Give him the works. He asked for it.

Mr. MILANO. In 1945, I have my wife sick for 15 years. One of my kids sick, too, and the doctor mentioned to me that these kids in the wrong climate, and finally I decided to go—it was in May 1945—to go to California, see if I can rent a home to bring all my family over there. I don't want to send the kids over there alone, and I went over; I drive.

One day, after 3 days, I was over there, and about 2 or 3 o'clock in the afternoon, well, I was pulling in a gasoline station, I think

it was Wilshire Boulevard. Well, I was getting some gasoline; this Mickey Cohen come in.

He say, "You from Ohio?"

I say, "Yes."

He say, "I think I know you."

I say, "You know me? Where do you see me?"

He say, "I am from Cleveland."

I say, "How do you know me?"

He say, "I was in your place two or three times."

I say, "Glad to meet you." So, we meet each other.

Then he offer me the service, "What I can do for you. What are you here for?"

I say, "I just over here to see if I can rent a home some place."

So he say he know how to get home, but at the same time I was in contact with some real estate.

He asked me where I am located in a hotel, and I tell him I was in Commodore Hotel.

He say, "You know, I will get to see you," and we say "Good-by, good-by."

I went to the hotel, and in the night, I find in the room when we get in, me and my wife, bouquet of flowers, come in there from Mr. Cohen.

I was surprised. Me and my wife, we were surprised what this fellow do. And sometime at night he rushed to hotel, he wanted to get me out. He say, "I want you. We have a dinner."

I say, "Mr. Cohen, why you do this thing for?"

He say, "You good fellow."

I said, "Well, I do not usually go out."

Well, anyhow, he took me out and we went to some places. We had dinner. From now on we have been friendly.

Naturally, you know, I stay over there about 2 weeks, I don't exactly remember when it was, and I can't get a home to rent, so I buy home, and come back. I come back here, then I go back over there again, me and my wife and my little boy, to establish the home. I sent the furniture over there. I establish the home, and at the same time it was the wartime, can't get no plumber, can't get no electrician, can't get telephone, can't get nothing. My wife was sick.

Finally, his wife, she have a car, and she offer her service, tell my wife, "Anytime you need me, you know, to go to the doctor or shop or anything."

Finally, you know, that is the way they come to be friendly.

Mr. HALLEY. Would you say that Mickey Cohen and his wife went out of their way to be nice to you?

Mr. MILANO. Yes, that's right.

Mr. HALLEY. Did you get the impression that he considers himself a pretty important man, in Los Angeles?

Mr. MILANO. I don't think so.

Mr. HALLEY. Well, you have read some of the things it says in the papers about him, have you not?

Mr. MILANO. Maybe. I don't know, if he is in the paper they try to make him big, or he is big himself, I don't know that.

Mr. HALLEY. Can you think of any reason why he should have tried to gain your friendship?

Mr. MILANO. No. I no see no reason at all. Because he like my family—and, well, I don't know. I can't figure out.

Mr. HALLEY. Did he ever ask you for any money?

Mr. MILANO. No, sir.

Mr. HALLEY. Did you ever give him any money?

Mr. MILANO. No, sir.

Mr. HALLEY. Did you ever have any business transactions with him of any kind?

Mr. MILANO. No business whatsoever.

Mr. HALLEY. Did any member of your family, that you know of, have any business with him?

Mr. MILANO. No.

Mr. HALLEY. I believe he testified in California that he borrowed some money from you. Have you heard that?

Mr. MILANO. He is a liar if he say that, because I never give him no money.

Mr. HALLEY. Had you heard that he so testified?

Mr. MILANO. I don't know if I heard or not.

Mr. HALLEY. Did you read about it in the paper?

Mr. MILANO. Usually I don't read the paper so much.

Mr. HALLEY. Did anybody tell you that Mickey Cohen testified before this committee?

Mr. MILANO. I know he testify, but he no give me no money, I no give him no money.

Mr. HALLEY. Did you hear that he told the committee he borrowed some from you?

Mr. MILANO. I don't know what he told the committee, but I am sure I no give him no money.

Mr. HALLEY. You gave him nothing?

Mr. MILANO. Nothing.

Mr. HALLEY. Your wife didn't give him anything?

Mr. MILANO. No, sir.

Mr. HALLEY. None of your relatives, as far as you know, gave him anything?

Mr. MILANO. No. The only transaction we probably had is, you know, we didn't have enough money to live with the family, naturally it was necessary for me to send check every week or 2 weeks, and my wife didn't know anybody over there. Maybe she approached him to cash some check, but a small check.

Mr. HALLEY. That was to cash a check?

Mr. MILANO. That's right.

Mr. HALLEY. But not to give him the money?

Mr. MILANO. That's right.

Mr. HALLEY. Mr. Milano, did you meet John Rosselli in California?

Mr. MILANO. No, sir.

Mr. HALLEY. Do you know Phil D'Andrea?

(Mr. Milano shakes head negatively.)

Mr. HALLEY. Do you know Tony Accardo?

Mr. MILANO. I don't know who he is.

Mr. HALLEY. Do you know Vincent Mangano?

Mr. MILANO. I don't know this Vincent Mangano.

Mr. HALLEY. Do you know anybody by the name of Joseph Profaci?

Mr. MILANO. Yes. Profaci is the owner of the Mamma Mia.

Mr. HALLEY. Yes.

Mr. MILANO. I buy a lot of merchandise from the concern.

Mr. HALLEY. How long have you dealt with the Mama Mia Co.?

Mr. MILANO. I deal with them before the war broke out. This man, if I am right, I think this Andrea, he bring him in my place, sometime after the war was over, and he introduced me, "This is the owner of the Mama Mia Importing Co." He don't mention to me the name, but later I find out this Profaci was the owner.

Mr. HALLEY. Did you ever meet Profaci?

Mr. MILANO. Well, I just tell you.

Mr. HALLEY. You did?

Mr. MILANO. Yes.

Mr. HALLEY. Well——

Mr. MILANO. If he is the owner that this Andrea introduced me to, he must be him.

Mr. HALLEY. Do you know Willie Moretti?

Mr. MILANO. I don't know this man.

Mr. HALLEY. Sometimes he is called Willie Moore.

Mr. MILANO. I don't know.

Mr. HALLEY. You don't know him?

(Mr. Milano shakes head negatively.)

Mr. HALLEY. Have you ever been to Florida?

Mr. MILANO. No, well I was in Florida, in Tampa.

Mr. HALLEY. In Tampa?

Mr. MILANO. Yes.

Mr. HALLEY. When were you in Tampa?

Mr. MILANO. I had my family over there, I think it was in 1935 or '36, at Clearwater Beach. I had them for 2 years, you know, for 1 month, 2 months, when the school vacation for the kids.

Mr. HALLEY. Did you live or stay in New Orleans?

Mr. MILANO. Where?

Mr. HALLEY. In New Orleans?

Mr. MILANO. No; I never was there.

Mr. HALLEY. Do you know any of the Licavoli family, Peter Licavoli?

Mr. MILANO. I think I met him once or twice. He was come around Mayfield; maybe he was getting in my place, or maybe his place, but I don't recall the exact time when it was.

Mr. HALLEY. You know anybody at all in Kansas City?

Mr. MILANO. No.

Mr. HALLEY. Nobody at all?

Mr. MILANO. No.

Mr. HALLEY. Do you know anybody named Tony Gizzo?

Mr. MILANO. Who is this Tony Gizzo?

Mr. HALLEY. Gizzo?

Mr. MILANO. No.

Mr. HALLEY. Do you know anybody named James Balestrere?

Mr. MILANO. No, sir.

Mr. HALLEY. Did you ever hear of the Mafia?

Mr. MILANO. Mafia? Well, I don't know what Mafia mean.

Mr. KENNEDY. Mafia.

Mr. MILANO. Mafia?

Mr. KENNEDY. Yes.

Mr. MILANO. Maybe the newspaper people can explain to you better. I would like to know myself, too, to see what——

Mr. HALLEY. Did you ever hear of the Black Hand?

Mr. MILANO. What?

Mr. HALLEY. The Black Hand?

Mr. MILANO. I heard about it, but I don't know what it is.

Mr. HALLEY. Did you ever hear of anybody getting a Black Hand threat to get money.

Mr. MILANO. No, sir.

Mr. HALLEY. Did you ever hear of anybody's house being bombed by the Black Hand?

Mr. MILANO. I heard a lot of times that, a long time ago.

Mr. HALLEY. Did you ever hear of such bombings in connection with the Mafia?

Mr. MILANO. No. I read a few things in the paper sometime, but I don't know.

Mr. HALLEY. Have you ever heard of Unione Siciliano?

Mr. MILANO. No, sir.

Mr. HALLEY. Never even heard of a Unione Siciliano?

Mr. MILANO. I heard, according to the radio, and the paper, yes, but I don't know what it is.

Mr. HALLEY. Did you ever know that there was a fraternal organization in Cleveland called Unione Siciliano?

Mr. MILANO. I don't know a thing about it.

Mr. HALLEY. Do you know Paul DeLucia?

Mr. MILANO. Who?

Mr. HALLEY. Paul DeLucia?

Mr. MILANO. No; I don't.

Mr. HALLEY. Sometimes called Paul Ricca?

Mr. MILANO. No; I don't.

Mr. HALLEY. I have no other questions, Mr. Chairman.

Mr. CHAIRMAN. Mr. Milano, the Mayfield Importing Co., that is an olive-company business?

Mr. MILANO. I specialize in food. Spaghetti, pure olive oil, and tomato paste, and tomato puree.

The CHAIRMAN. Is that a pretty big business that you have?

Mr. MILANO. Usually I do business in big scale. See, you know, I buy—you got to buy carload to make a little money. To get the right price you have to buy carload.

The CHAIRMAN. What do you make out of it, 15 or 20 or 50 thousand dollars a year?

Is it that big?

Mr. MILANO. No. I never make that much.

The CHAIRMAN. Would you give us some idea what you make out of it, how big it is?

Mr. MILANO. I know in 1947 I lost \$11,000.

The CHAIRMAN. But, when you make money, how much do you make?

Mr. MILANO. Maybe make \$15,000, maybe \$10,000.

The CHAIRMAN. That is your principal source of revenue; is it, and the—

Mr. MILANO. I work with loan company. I get a salary over there.

The CHAIRMAN. How much do you usually make out of the loan company?

Mr. MILANO. \$250 a month.

The CHAIRMAN. Salary?

Mr. MILANO. Salary.

The CHAIRMAN. And you get dividends on your stock, also?

Mr. MILANO. No; no get dividend. I have arranged that I get \$100 rent from the loan. I get \$125 from the bakery building. There is some publishing building—the plant over there—and I get \$50 a month from Loretto.

The CHAIRMAN. Loretto, that is the building you own?

Mr. MILANO. Yes.

The CHAIRMAN. And the Loretto Publishing Co. is there, too; isn't it?

Mr. MILANO. That's right.

The CHAIRMAN. Is that 12002 Mayfield Road?

Mr. MILANO. 12002 Mayfield Road.

The CHAIRMAN. Isn't that the same address that the Venetian Cafe is in?

Mr. MILANO. Who?

The CHAIRMAN. The Venetian Cafe where Frank Milano and Al Polizzi were partners.

Mr. MILANO. No. They was about about three or four blocks up.

The CHAIRMAN. Did you own the building that they were in?

Mr. MILANO. No, sir. Where I am now, they had nothing to do with that over there.

The CHAIRMAN. Your counsel wanted us to get clear who the officers of the Richmond Country Club were. I don't know whether we have got it in the record clearly or not.

Mr. NELLIS. Senator, I believe he testified——

The CHAIRMAN. Ceraldi—well, the president was Peter Leonard; is that correct?

Mr. MILANO. That's right.

The CHAIRMAN. Peter J. Sikarello?

Mr. MILANO. Yes. Ignio Ceraldi, he is the treasurer.

The CHAIRMAN. Aren't you related to Mr. Ceraldi someway?

Mr. MILANO. No; no relation whatsoever.

The CHAIRMAN. Oh, he is your accountant; he is your auditor?

Mr. MILANO. But he has been working with me for 18 years.

The CHAIRMAN. He works for you?

Mr. MILANO. He works for me, and he works for the loan company.

The CHAIRMAN. He is the treasurer, and Peter J. Milano is your son?

Mr. MILANO. That's right.

The CHAIRMAN. He is the secretary?

Mr. MILANO. He is the secretary.

The CHAIRMAN. Is your brother Frank a banker?

Mr. MILANO. No, sir.

The CHAIRMAN. Are you the only banker in the family?

Mr. MILANO. I don't see why you call it a banker. It is only loan.

The CHAIRMAN. I mean where you loan money.

Mr. MILANO. Well, that's it.

The CHAIRMAN. I'm sure that Mickey Cohen used your first name; but, anyway, he said it was Milano the banker in Cleveland that he had borrowed this large sum of money from.

Mr. MILANO. He don't know what he is talking about if he classify me "banker."

The CHAIRMAN. Did you send him a check for anything?

Mr. MILANO. I never send no check.

The CHAIRMAN. Ever give him any amount of cash?

Mr. MILANO. No, sir.

The CHAIRMAN. Or sign a note for him?

Mr. MILANO. No, sir.

The CHAIRMAN. So that, if he said that he borrowed money from you, he is just mistaken about it?

Mr. MILANO. He just lied; that is all.

The CHAIRMAN. A liar? You wouldn't call him a liar; would you?

Mr. MILANO. Well, I don't think he said the truth.

The CHAIRMAN. Well, you don't like him at all?

Mr. MILANO. No; it is we are friends—

The CHAIRMAN. Do you think that he is a bad fellow?

Mr. MILANO. No; as far as myself is concerned, he is a good fellow. I ain't got any—

The CHAIRMAN. Well, you don't speak very courteously of him. You said he is a liar.

Mr. MILANO. Well, if he say something that is not true.

The CHAIRMAN. Well, Mr. Milano, it is rather difficult to understand how you called Mickey Cohen as much as you have. We have here your telephone calls for the last year or 6 months, anyway.

And we have Mickey Cohen's telephone number in Beverly Hills.

Mr. MILANO. Well, probably the family—

The CHAIRMAN. And a tremendous number of calls from you to him. What are you calling him so frequently for?

Mr. MILANO. I never call him from here.

The CHAIRMAN. Crestview 1—

Mr. MILANO. That is my home number over there.

Mr. KENNEDY. That is his home number in California.

The CHAIRMAN. To Los Angeles?

Mr. MILANO. That is right.

Mr. HALLEY. While you are on that, just to get perfectly straight on this, are you sure that your loan company never made any loan to Mickey Cohen?

Mr. MILANO. No, sir.

Mr. HALLEY. And that neither you nor your loan company or any member of your family ever made a loan to Mr. Cohen or Mrs. Cohen or any member of her family?

Mr. MILANO. No, sir.

Mr. HALLEY. So, there is no basis whatsoever for any statement that a loan was made directly or indirectly from you to Cohen? Is that right?

Mr. MILANO. Never. You are right.

The CHAIRMAN. Now, if I made a mistake about this I want to acknowledge it. We have two numbers here that were given to us as Mickey Cohen's number.

Mr. MILANO. The number is my home, my home number.

The CHAIRMAN. Crestview 1-2900; is that Mickey Cohen's number?

Mr. MILANO. I don't know. I think it is—

The CHAIRMAN. Crestview 1-2900? And then there are some numbers here; also that Crestview 1-5387, but that is your number?

Mr. MILANO. That is my number.

The CHAIRMAN. That is your number in Beverly Hills; is it?

Mr. MILANO. Yes. But they was change my number more than once. Of course, they had so much telephone calls over there, my son went to the telephone company and changed number of the telephone, and told them to give it a new number. That is about two or three—

The CHAIRMAN. Do you know what Crestview 1-2900, Los Angeles, is?

Mr. MILANO. No.

The CHAIRMAN. Well, if we have made a mistake about it, I apologize. That is the number that we have been advised—

Did you call Mickey Cohen often?

Mr. MILANO. No, sir; I never called him direct.

The CHAIRMAN. Sir?

Mr. MILANO. I never called.

The CHAIRMAN. You don't remember having called him?

Mr. MILANO. No, sir.

The CHAIRMAN. Did he call you?

Mr. MILANO. He has been calling me a lot of times; yes.

The CHAIRMAN. He called you a lot of times?

Mr. MILANO. Yes.

The CHAIRMAN. What does he have to say? What does he ask you?

Mr. MILANO. Just to ask me how I feel.

The CHAIRMAN. Well, the statement that you have called him frequently is apparently not borne out by the evidence; so I will have to withdraw that until I at least can check on these telephone numbers.

Mr. MILANO. Okay.

The CHAIRMAN. Now, what did he call you about so often? Try to borrow money from you?

Mr. MILANO. No, sir; he never called me often. From the start he called me every once in about 3 years.

Mr. NELLIS. Do you know Joseph Farinaccia, or anyone called "High Pockets"?

Mr. MILANO. Yes; he is guy from the neighborhood.

Mr. NELLIS. High Pockets?

Mr. MILANO. That is right.

Mr. NELLIS. Does he work for you?

Mr. MILANO. No, sir.

Mr. NELLIS. Did you ever give his wife any money?

Mr. MILANO. No, sir.

Mr. NELLIS. What is his name?

Mr. MILANO. I don't know.

Mr. NELLIS. Now, who is Anna M. Farinaccia?

Mr. MILANO. I don't know, but we have so many Farinaccias in the neighborhood. We have a lot.

Mr. NELLIS. You are sure she is not related to High Pockets?

Mr. MILANO. I don't know. Might be, because he has a lot of relatives.

Mr. NELLIS. Did you ever send High Pockets to California with any money?

Mr. MILANO. No, sir.

Mr. NELLIS. Or did he ever bring any money here to you to Cleveland?

Mr. MILANO. No, sir.

Mr. NELLIS. That is all I have.

The CHAIRMAN. All right, unless you want to ask some questions.

Mr. KENNEDY. Senator, may I ask just a couple of questions?

The CHAIRMAN. Yes.

Mr. KENNEDY. First, is your wife, Mrs. Milano, and Mrs. Al Polizzi related?

Mr. MILANO. Second cousins.

Mr. KENNEDY. Cousins.

Now, have you been arrested or had any trouble with the law since your difficulties back in 1912, Tony?

Mr. MILANO. No, sir.

Mr. KENNEDY. And when did you become a naturalized citizen?

Mr. MILANO. It was in 1921 or 1920.

Mr. KENNEDY. And who was the officer who was active in your troubles in 1912, if you recall his name?

Mr. MILANO. Who was cause me the trouble?

Mr. KENNEDY. Yes, who was the man that handled the matter for the Government at that time?

Mr. MILANO. Johnny Washer.

Mr. KENNEDY. Captain Washer?

Mr. MILANO. Yes, sir.

Mr. KENNEDY. And when you went for your naturalization papers, who was your witness before Judge Westropp here?

Mr. MILANO. Johnny Washer.

Mr. KENNEDY. You operate your loan company under a charter granted by the State of Ohio, do you?

Mr. MILANO. Yes.

Mr. KENNEDY. And you make your reports to the State regularly?

Mr. MILANO. Yes, sir, to the Government, too.

Mr. KENNEDY. And to the Government also.

And the Richmond Country Club was a social organization?

Mr. MILANO. That is right.

Mr. KENNEDY. Of which there were how many members of all classes, would you say belonged to that club at its peak?

Mr. MILANO. Well, they had about 1,500, that is A members. They had about 4,000 B members.

Mr. KENNEDY. About 5,000 members altogether?

Mr. MILANO. About. Because they have a lot of members that drop.

Mr. NELLIS. May I ask one or two questions? How did your brother Frank make so much money that he could afford to live on a farm, or whatever he lives on, in Mexico?

Mr. KENNEDY. If he knows.

Mr. NELLIS. If he knows.

Mr. MILANO. Well, my brother, they, he left here 18 years ago.

Mr. NELLIS. What did he make his money in?

Mr. MILANO. He went to Mexico and he bought some land, and he start to—I understand he got a lumber—they have some oil well over there.

Mr. NELLIS. Did he bring some money down there with him when he went?

Mr. MILANO. I don't know.

Mr. NELLIS. He didn't just tell you or discuss his affairs with you?

Mr. MILANO. No. I go down to see him about 10 or 15 years ago.

Mr. NELLIS. He doesn't come back to the United States at all?

Mr. MILANO. Well, he become back every once in a while just to see his family, because he know I am bringing the family away—of course, he had been in the jungle.

Mr. NELLIS. Did he leave the country in order to escape an indictment or something?

Mr. MILANO. No, sir.

Mr. NELLIS. Wasn't there some income tax charge against him at that time?

Mr. MILANO. No; there no was.

The CHAIRMAN. He is the one in Mexico? Now, Licavoli is right across the line near Tucson, Ariz., isn't he?

Mr. MILANO. What?

The CHAIRMAN. What Licavoli is that?

Mr. HALLEY. Pete.

The CHAIRMAN. Do you know Pete Licavoli?

Mr. MILANO. Yes; I think I met him right here in Mayfield.

The CHAIRMAN. Your brother lives in Mexico, and Pête Licavoli is over in Arizona.

Mr. MILANO. Well, they are far away from each other.

The CHAIRMAN. Do you know whether they are good friends or not?

Mr. MILANO. I don't know.

The CHAIRMAN. Does this fellow Frank Cammerata come in via Arizona, do you know?

Mr. MILANO. I don't know. I think I know Cammerata. He just come around once in a while, be by the store, but I never—

The CHAIRMAN. Do you know Frank Brancato?

Mr. MILANO. I know Frank Brancato.

The CHAIRMAN. In business with him?

Mr. MILANO. No.

The CHAIRMAN. How well do you know him?

Mr. MILANO. Well, once in a while he stop and catch some oil, catch some tomato paste and go away. Sometimes I might sell him myself.

The CHAIRMAN. Anything else?

Mr. NELLIS. That is all.

FURTHER TESTIMONY OF ANTHONY RUTKOWSKI

Mr. CHAIRMAN. I am only putting Mr. Rutkowski on in order to produce this exhibit for the record.

The CHAIRMAN. Before we get any pictures of it, let's see how it is made up.

Mr. NELLIS. Mr. Chairman, Mr. Rutkowski has assisted the staff in the preparation of this chart, and I would like to have him describe it very briefly and generally, with respect to the matters presented here in the last 3 days.

Mr. Rutkowski, will you proceed, please?

Mr. RUTKOWSKI. Senator, this chart represents the Cleveland gambling syndicate, as the center from which the operations have been connected from Cleveland, Ohio, with the names of the syndicate, their connections, in interstate groups, and the persons with which they have been connected, including the names of the clubs, the gambling clubs that are now in operation, both in Ohio and outside the State of Ohio.

This chart fairly represents the organization and the web of the Cleveland gambling syndicate as that has been established by evidence at these hearings.

The CHAIRMAN. Well, not only at this hearing, but are you personally acquainted with most of the places and the names on here as a result of your official investigations?

Mr. RUTKOWSKI. Yes, sir.

The CHAIRMAN. And you think that this fairly represents the matter? You don't think anyone has been done an injustice by having their name on here?

Mr. RUTKOWSKI. No, sir.

The CHAIRMAN. Of course, you don't mean to infer, I don't suppose, that they are the only people that might rate on this chart?

Mr. RUTKOWSKI. No, sir; I do not wish to draw that inference. There are others who are not on the chart, but these are the principal operators with the biggest operations.

The CHAIRMAN. Well, let the chart be filed as an exhibit with your testimony.

(The above-mentioned chart was identified and received as exhibit No. 77, and is on file with the committee.)

Mr. NELLIS. I have no further questions, Mr. Chairman.

The CHAIRMAN. Let's call in all the witnesses whom we haven't been able to hear. Let them sit right over here.

(Sundry witnesses entered the room.)

The CHAIRMAN. I just wanted to tell the witnesses who haven't been called that our time has run out, and that we are not going to be able to call any more witnesses at this time.

There are a number of witnesses under subpoena that we haven't been able to get to. I don't know whether we will be able to get to you some other time or not, but the subpoenas that have been served will continue in effect, but you will be notified by telegram or by letter of some future place to appear, unless some particular witness wants to be heard about some matter brought up here.

I want to give you an opportunity, if anybody wants to be heard, to explain or discuss any matters that have come up in connection with this hearing, either witnesses who have been subpoenaed or anybody else in the courtroom or anyone else anywhere.

Well, if there is no one who wants to be heard, this will complete our hearing, then, at Cleveland. That doesn't mean that we will not be hearing witnesses from this area again, some witnesses at other places.

I think, from the viewpoint of our committee, that this has been a very useful hearing in bringing out certain interstate links and operations of people in this section, as well as those in other sections.

We will of course study the testimony and make our report to the United States Senate.

Again I want to thank the Governor of the State of Ohio for his cooperation, Mr. Rutkowski, the mayor of the city of Cleveland, Mr. Sutton, who is the public safety director, and his force of excellent law-enforcement officers, who have been so good to us and cooperative.

I think the city of Cleveland and this county are doing a mighty good job in the matter of law enforcement, so far as I can see.

We are certainly grateful to Judge Jones for arranging this hearing for us. The various Federal agencies and their represent-

atives who have helped Mr. Nellis and our committee so much, we are very grateful to all of them.

To the press and to the radio, for giving such full and friendly and fair coverage for our little efforts here, and Mr. Johnson and his people in the Bureau of Internal Revenue, and all of the Federal agencies.

Marshal Wein and his men who have stayed here nights and extra time to assist us, and we are very grateful to your splendid district attorney, Don Miller, who has been with us all during this hearing, and who has a splendid reputation as a district attorney.

Do you want to make any observation, Mr. Miller?

Mr. MILLER. Senator, I wish to express my sincere congratulations to the committee in the accomplishments that you have reached thus far, and I wish to compliment Mr. Halley and Mr. Nellis and Mr. Robinson, Mr. McCormick and Mr. Klein, in the presentation of this evidence.

I feel that I am quite close to this committee, due to the fact, as you recall, I was appointed on the original committee by the Attorney General, and attended all of the meetings in Washington, and all of those members have followed every move that you have made over this Nation, and we look forward to the fine and splendid report that you will make to the United States Senate.

I was particularly impressed, during the last 3 days, sitting here and hearing the sincerity and the fairness with which you ruled over this hearing. I want to say that the United States attorney's office is in readiness to serve this committee in any request that you may present to me.

The CHAIRMAN. Thank you very much.

Mr. MILLER. And thank you very much for your consideration.

The CHAIRMAN. Well, we have certainly enjoyed being in Cleveland. I hope we can come back sometime when we don't have to be so busy.

Our next hearing will be in New Orleans, where Senator O'Connor will preside, and then I believe the hearing following that will be in Detroit, Mich., and the rest of the schedule will be announced later.

So this session is now recessed and/or adjourned.

(Whereupon, at the completion of the testimony of Joseph Aiuppa, Cicero, Ill., whose testimony is included in Part 5 of the hearings of the committee, the hearing was adjourned, subject to the call of the chairman.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

MONDAY, FEBRUARY 19, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED
CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to adjournment, at 10:20 a. m., in room 457, Senate Office Building, Senator Herbert R. O'Connor presiding.

Present: Senators O'Connor, Kefauver (chairman), and Tobey.

Also present: Downey Rice, associate counsel; John L. Burling, associate counsel; and Joseph L. Nellis, assistant counsel.

Senator O'CONNOR. Will the hearing please come to order.

(The testimony of Louis E. Ricciardi, accompanied by Edward J. Hayes, attorney, which was heard at this time, is included in part 9 of the hearings of the committee.)

Senator O'CONNOR. Alfred Polizzi.

Mr. Polizzi, do you swear the testimony you give this committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. POLIZZII. I do.

TESTIMONY OF ALFRED POLIZZII, CORAL GABLES, FLA., ACCOMPANIED BY PAT WHITAKER, ATTORNEY, TAMPA, FLA.

Mr. WHITAKER. Mr. Chairman—

Senator O'CONNOR. Counsel, will you identify yourself?

Mr. WHITAKER. May I identify myself and make just a very brief statement on behalf of Mr. Polizzi?

Senator O'CONNOR. Yes. First give your full name.

Mr. WHITAKER. The law firm of which I am a member represents Mr. Alfred Polizzi, of Coral Gables, Fla. My name is Pat Whitaker. The style of our firm is Whitaker Bros., composed of three brothers, just three "cracker" boys struggling, trying to get along, and our office is located in the Gas Building, Tampa, Fla.

Mr. Chairman, I want to make just a very brief statement in the record on behalf of Mr. Polizzi. Mr. Polizzi was subpoenaed, appeared, and testified before your committee at Cleveland, Ohio. At that time he refused to answer questions as to his activities prior to 1945. He was advised by his counsel that such matters were so remote that they were not within the scope of the subject matter of the Senate.

Senator O'CONNOR. Does the witness, having heard the statement of counsel, affirm that and state that is his statement of the facts in the matter?

Mr. POLIZZII. Yes, I do.

Senator O'CONOR. Mr. Nellis.

Mr. NELLIS. Mr. Polizzi, you recall in the hearings at Cleveland you were questioned about your criminal record. The record was placed in evidence, Mr. Chairman, at that time, with the exception of two items which I would like to refer to at this time.

The first is this: Handing you this paper [handing document to witness], do you recognize the pictures on it, and if you do, will you state who they are.

Mr. POLIZZI. Yes. On the first picture it is me.

Senator O'CONOR. Keep your voice up, please.

Mr. POLIZZI. The first picture is of me.

Senator O'CONOR. I want to ask the photographers if they will take any pictures that they desire so that this can be concluded and then the witness will not be interrupted. Is that agreeable to you?

Mr. POLIZZI. Thank you.

Mr. WHITAKER. Thank you, Mr. Chairman.

Mr. POLIZZI. And the second is that of John Angersola.

Mr. NELLIS. Will you state what that paper is that states the record in connection with you and Mr. Angersola? In other words, identify the paper for the committee.

Mr. POLIZZI. Well, "Alfred Polizzi of number so and so"—do you want the number?

Mr. NELLIS. Just identify the paper. Tell us what it is. It is a "wanted" circular, is it not?

Mr. POLIZZI. Yes; wanted as suspect in connection with a double murder.

Senator O'CONOR. Wanted as a suspect in connection with?

Mr. POLIZZI. With a double murder.

Senator O'CONOR. Double murder.

Mr. NELLIS. It is signed by the chief of police of the city of Cleveland, is it not?

Mr. POLIZZI. I don't see that here.

Mr. NELLIS. At the bottom.

Mr. POLIZZI. Oh.

Mr. NELLIS. The very last line—Jacob Graul.

Mr. POLIZZI. It is very faint, and you can hardly see it. I can't even read the writing.

Mr. NELLIS. Read the last two lines.

Mr. POLIZZI (reading):

Jacob Graul, chief of police, Cleveland, Ohio.

Senator O'CONOR. Chief of police, Cleveland, Ohio?

Mr. POLIZZI. Yes; that is right.

Senator O'CONOR. Keep your voice up, please.

Mr. POLIZZI. Yes, sir.

Mr. NELLIS. Mr. Chairman, I offer this "wanted" circular in evidence as exhibit No. 78 to this witness' testimony.

Senator O'CONOR. It will be admitted and so marked.

(The document referred to is identified as exhibit No. 78, and appears in the appendix on p. 477.)

Mr. NELLIS. Mr. Polizzi, in addition to the criminal record read into the Cleveland hearing record, weren't you arrested with Joe Massei on fugitive warrants in Detroit, Mich., sometime in 1935?

Mr. POLIZZI. I was arrested in Detroit.

Mr. NELLIS. What was the charge?

Mr. POLIZZI. I don't know. The charges—since I have had a record—this record—I have seen where they have charged me with suspicion for being a fugitive.

Mr. NELLIS. Fugitive from what charge, do you recall?

Mr. POLIZZI. I don't know.

Mr. NELLIS. You mean you were arrested in Detroit with Joe Massei—

Mr. POLIZZI. Not with Joe Massei.

Mr. NELLIS. Mr. Chairman, I have here the record of arrest. I would like to show it to the witness.

Mr. POLIZZI. Joe Massei was arrested later. I wasn't arrested with Joe Massei.

Mr. NELLIS (handing document to witness). Will you read that and state whether it correctly states the record in connection with the arrest?

Senator O'CONOR. Is that clear to you?

Mr. POLIZZI. It says there—do you want me to read it?

Mr. NELLIS. Yes; read it loudly, please.

Mr. POLIZZI. (reading):

On April 22, 1935, Alfred Polizzi—

Senator O'CONOR. Read it out. Maybe counsel had better read it.

Mr. WHITAKER (reading):

On April 22, 1935, Alfred Polizzi—

listen to this—

our No. 32332, Detroit, Mich. No. 49456, was arrested by the Detroit, Mich., police department on a charge of fugitive from Cleveland, Ohio—April 24, 1935, discharged on writ, not wanted at Cleveland, Ohio. Associated time of arrest, Joe Massei.

Mr. NELLIS. Mr. Chairman, that is the record of the scientific detection bureau of the Cleveland police, and I offer it in evidence at this time as exhibit No. 2.

Senator O'CONOR. It will be so admitted and marked.

(The document referred to was marked exhibit No. 79, and appears in the appendix on p. 478.)

Mr. NELLIS. Now you don't remember what that arrest was about?

Mr. POLIZZI. No, I don't.

Mr. NELLIS. You don't recall from what you were alleged to be running away?

Mr. POLIZZI. No, I don't. I wasn't—as I was discharged, there was no—I wasn't wanted.

Mr. NELLIS. Mr. Polizzi, in 1938 you were arrested as Joe Lorie, charged with occupying a room where wagers were recorded. Do you recall that?

Mr. POLIZZI. No, I don't.

Mr. NELLIS. Do you recall your testimony in Cleveland to the effect that you were never known as Joe Lorie?

Mr. POLIZZI. I believe you have that wrong, Mr. Nellis.

Mr. NELLIS. Were you known as Joe Lorie?

Mr. POLIZZI. No; I was not known as Joe Lorie.

Mr. NELLIS. Now in 1940 and prior to that, did you have an interest in the company known as the Buckeye Catering Co.?

Mr. POLIZZI. Not in 1940, but I did in 1938.

Mr. NELLIS. I said prior to that.

Mr. POLIZZI. Oh, pardon me.

Mr. NELLIS. Who were your partners in that business?

Mr. POLIZZI. John Angersola and Chuck Polizzi, Charles Polizzi, myself and Nat Weisenberg.

Mr. NELLIS. And what was the business of the Buckeye Catering Co. at that time?

Mr. POLIZZI. It was a vending operation, including slot machines.

Mr. NELLIS. What kind of operation?

Mr. POLIZZI. Vending.

Mr. NELLIS. Vending?

Mr. POLIZZI. Vending machines were legal at the time, including slot machines, which were illegal.

Senator O'CONNOR. This company did handle slot machines.

Mr. POLIZZI. Yes.

Mr. NELLIS. What proportion of the business would you say was in slot machines?

Mr. POLIZZI. I would say 25 percent.

Mr. NELLIS. And where did you buy these slot machines?

Mr. POLIZZI. Well, I know the make of the machines. I never bought any.

Mr. NELLIS. What were your duties in connection with the Buckeye Catering Co.?

Mr. POLIZZI. Well, mostly solicit business and locations.

Mr. NELLIS. And how did you go about doing that—call on various locations?

Mr. POLIZZI. Called on various locations, and asked them if they would allow a machine to operate in that particular store, and perhaps find room where the machine would not be in the way and still would bring an income for the storekeeper as well as the operator.

Mr. NELLIS. Mr. Polizzi, it is perfectly obvious in the operation of a business of that kind you are in an illegal business; isn't that right?

Mr. POLIZZI. In the slot machines, yes.

Mr. NELLIS. And in order to do that kind of business you have to pay protection to some one, do you not?

Mr. POLIZZI. Well, I can't say for that. I don't know that.

Mr. NELLIS. Did you have any troubles in distributing all these slot machines?

Mr. POLIZZI. Well, I know there was plenty of slot machines taken by the law.

Mr. NELLIS. But you continued in the business nevertheless, didn't you?

Mr. POLIZZI. Yes, sir.

Mr. NELLIS. How did it happen that you were able to continue that way without any interference from the police?

Mr. POLIZZI. Well, I tell you I don't know so much about that. The operation was very loose from a law standpoint.

Mr. NELLIS. You distributed throughout Ohio and neighboring States, did you not?

Mr. POLIZZI. No, no, just locally. That was county and city. That was Cuyahoga County.

Mr. NELLIS. How long did you continue in that from 1938 to when?

Mr. POLIZZI. In 1938 was my last year in that business.

Mr. NELLIS. You dropped out?

Mr. POLIZZI. I sure did.

Mr. NELLIS. Was Louis Carriere working for you at that time?

Mr. POLIZZI. I don't think so.

Mr. NELLIS. But you know him, don't you?

Mr. POLIZZI. Yes, I do.

Mr. NELLIS. And how about Jimmy Licavoli? Was he one of your distributors?

Mr. POLIZZI. No.

Mr. NELLIS. He went into the business later; is that right?

Mr. POLIZZI. I don't know.

Mr. NELLIS. You mentioned the name of Nathan Weisenberg.

Mr. POLIZZI. That is right.

Mr. NELLIS. Who is he?

Mr. POLIZZI. Nathan Weisenberg was a partner in the operation of the Buckeye Catering Co.

Mr. NELLIS. Was he killed in 1945?

Mr. POLIZZI. So I have read.

Mr. NELLIS. He was taken out for a ride, wasn't he?

Mr. POLIZZI. I don't know.

Mr. NELLIS. You don't know anything about that?

Mr. POLIZZI. I do not.

Mr. NELLIS. Now you recall in Cleveland you were asked the question, "What business were you in with Morris C. Haas?" And you stated you were in business with him, but refused to answer what business it was.

Mr. POLIZZI. Well, he operated—he didn't operate exactly; he run the office for the Buckeye Catering Co. He wasn't a partner.

Mr. NELLIS. He was a paid employee?

Mr. POLIZZI. As the manager, to run that office.

Mr. NELLIS. And you were also asked about business dealings with Charles Polizzi, known as Chuck Polizzi; is that right?

Mr. POLIZZI. That is true.

Mr. NELLIS. And you answered that you had some real-estate transactions with him, but also some other deals about which you wouldn't answer?

Mr. POLIZZI. That is correct.

Mr. NELLIS. What were the other deals with Chuck Polizzi?

Mr. POLIZZI. Mainly the Buckeye Catering Co.

Mr. NELLIS. You didn't mention his name when we started, did you? Did you mention his name?

Mr. POLIZZI. Yes; Charles Polizzi, I said.

Mr. NELLIS. Have you been in any other type of business with Charles Polizzi?

Mr. POLIZZI. Except real estate.

Mr. NELLIS. And the slot machines?

Mr. POLIZZI. That is right.

Mr. NELLIS. And did you know that Charles——

Mr. POLIZZI. Pardon me.

Mr. NELLIS. Go ahead.

Mr. POLIZZI. And during prohibition. I want to get the record straight.

Mr. NELLIS. And during prohibition you ran booze with him; isn't that right?

Mr. POLIZZI. I was associated with Chuck Polizzi at the time; yes.

Mr. NELLIS. Didn't you say in Cleveland that this Chuck Polizzi, to whom we are referring, was sort of a cousin of yours?

Mr. POLIZZI. Yes, sir.

Mr. NELLIS. What do you mean by a sort of cousin of yours?

Mr. POLIZZI. Well, I have always considered him a cousin. I don't know whether he is or not. I mean his name is Polizzi, and actually I never met his folks, so I wouldn't know.

Mr. NELLIS. You don't know how he got to be named Polizzi?

Mr. POLIZZI. No, I don't.

Mr. NELLIS. You don't know anything about the business he is in today?

Mr. POLIZZI. Well, I don't see Polizzi very often.

Mr. NELLIS. Did you hear at Cleveland that Charles Polizzi was a partner in three large gambling enterprises in northern Kentucky?

Mr. POLIZZI. I don't know whether I heard that or read it.

Mr. NELLIS. Well, the record of the committee hearing there shows that he was in the Yorkshire Club, the Beverly Club, and the Lookout House. Now the question is: Have you received any money from Charles Polizzi in the last 4 years?

Mr. POLIZZI. Absolutely not.

Mr. NELLIS. No money whatsoever?

Mr. POLIZZI. No.

Mr. NELLIS. Were you ever in those places with Chuck Polizzi and the others?

Mr. POLIZZI. Never.

Mr. NELLIS. You have never been a partner in any gambling enterprise aside from the slots?

Mr. POLIZZI. Aside from the slots and the prohibition, absolutely not.

Mr. NELLIS. Have you ever been a partner in any gambling enterprise anywhere aside from the slots?

Mr. POLIZZI. I have not.

Mr. NELLIS. You have never had an interest in any casino or club down in Florida?

Mr. POLIZZI. I have not.

Mr. NELLIS. Now, you recall the testimony in Cleveland which you gave concerning your partnership with three other persons in the Sands Hotel?

Mr. POLIZZI. Yes, I do.

Mr. NELLIS. And those partners were Irving Levy—

Mr. POLIZZI. That is right; Glass and Street.

Mr. NELLIS. Glass and Street.

Mr. POLIZZI. And myself. Mr. King was my partner in the hotel business. Mr. King—that is Mr. Angersola.

Mr. NELLIS. That is a silent partnership with you?

Mr. POLIZZI. That is right.

Mr. NELLIS. Did the other partners know he had a piece of your share?

Mr. POLIZZI. I believe so.

Mr. NELLIS. They did?

Mr. POLIZZI. Yes.

Mr. NELLIS. How much of a piece of your share did he have?

Mr. POLIZZI. 12½ percent.

Mr. NELLIS. Now, in addition to the Sands Hotel, about which there was a great deal of testimony in Cleveland, did you ever or do you now have any interest in the Grand Hotel?

Mr. POLIZZI. I do not.

Mr. NELLIS. Did you ever hear of a Polkin Co.?

Mr. POLIZZI. Yes, I have.

Mr. NELLIS. What is that?

Mr. POLIZZI. I believe it is a corporation for the Grand Hotel.

Mr. NELLIS. Were you in that?

Mr. POLIZZI. No, I was not in that. However, I helped Mr. King in that, in the financing end of it. I never had any part of it.

Mr. NELLIS. What do you mean you helped him in the financing end of it? Did you lend him money?

Mr. POLIZZI. Yes, I did.

Mr. NELLIS. Did you take back an interest in the Grand Hotel as a result of that loan?

Mr. POLIZZI. No; I did—I protected myself until I got my money back.

Mr. NELLIS. How?

Mr. POLIZZI. By holding some stock.

Senator O'CONOR. In whose name was the stock?

Mr. POLIZZI. In mine.

Mr. NELLIS. Isn't it a fact that the Polkin Co., Inc., takes the first three letters of your name and the first three letters of John King's name, and that is how you got Polkin, isn't it?

Mr. POLIZZI. I didn't instigate the name, and I don't know how they got it. They perhaps had that in mind.

Mr. NELLIS. Don't you think it is strange that they should be using your name for a venture in which you had no interest?

Mr. POLIZZI. There was some talk about me going in this business; however, I didn't like the proposition.

Mr. NELLIS. How much was the mortgage that you received?

Mr. POLIZZI. I believe three-hundred-some-odd thousand. I am not sure.

Mr. NELLIS. Three-hundred-some-odd thousand?

Mr. POLIZZI. Mortgage. Or two hundred some-odd. I don't know too much about that.

Mr. NELLIS. How much money did you put up with John King?

Mr. POLIZZI. I loaned him \$92,000 or thereabouts.

Mr. NELLIS. In cash?

Mr. POLIZZI. Checks.

Mr. NELLIS. All in one transaction?

Mr. POLIZZI. I don't know whether it was one check or several checks.

Mr. NELLIS. Do you know Earl Johns?

Mr. POLIZZI. Earl?

Mr. NELLIS. Johns. J-o-h-n-s.

Mr. POLIZZI. Yes, I do.

Mr. NELLIS. Who is he?

Mr. POLIZZI. He is related to Mr. King.

Mr. NELLIS. He was in this Grand Hotel deal, wasn't he?

Mr. POLIZZI. Not that I know of.

Mr. NELLIS. And Mrs. Johnny King, I take it, is John King's wife, is that right?

Mr. POLIZZI. That is right.

Mr. NELLIS. He was in the deal?

Mr. POLIZZI. I suppose so. I was not interested in——

Mr. NELLIS. You were lending all this money to Mr. King in 1948, was it not?

Mr. POLIZZI. Well, when was the company incorporated?

Mr. NELLIS. On November 8, 1948. So you must have loaned him all that money sometime in 1948.

Mr. POLIZZI. That is right.

Mr. NELLIS. And you knew about Mr. King's record, did you not?

Mr. POLIZZI. Yes, I did.

Mr. NELLIS. And you continued to do business with him even after 1945, did you not?

Mr. POLIZZI. Mr. King has not been convicted of any crime since 1923.

Mr. NELLIS. I didn't ask you that. I asked you whether you knew of his record, and you answered "Yes." And I asked you whether in spite of that you continued to do business with him after 1945.

Mr. POLIZZI. I know Mr. King all my life, and I believe him to be a fine gentleman.

Senator O'CONOR. That is not responsive to the question asked by counsel. You are asked to respond directly to the question, and then having responded, you may make any explanations you wish. Will you answer the specific question addressed to you by counsel?

Mr. POLIZZI. Thank you; yes.

Mr. NELLIS. The question was, Mr. Polizzi: Knowing Mr. King's record, and taking into consideration your statement in Cleveland, namely, that you had no criminal activities or had not engaged in any since 1944 or 1945, how do you explain your investment with him in the Grand Hotel in 1948?

Mr. POLIZZI. Mr. King—now I can explain this?

Mr. NELLIS. Yes, please do.

Mr. POLIZZI. Mr. King has been my friend for many years, not only he himself but I have been very friendly with the family.

Mr. NELLIS. You have been engaged in illegitimate activities, have you not?

Mr. POLIZZI. I was, certainly.

Mr. NELLIS. With him.

Mr. POLIZZI. Certainly.

Mr. NELLIS. Is that right?

Mr. POLIZZI. That is right.

Mr. NELLIS. And you have been in legitimate activities also; isn't that right?

Mr. POLIZZI. I certainly have, and I think that Mr. King is a very fine gentleman, and as far as I am concerned, if there is a deal tomorrow, I would still accept him as a partner.

Mr. NELLIS. Do you recall your testimony in Cleveland to the effect that you were doing your best to stay away from the criminal associations and go straight? Do you recall it?

Mr. POLIZZI. Mr. Nellis——

Mr. NELLIS. Answer "Yes" or "No."

Senator O'CONOR. Answer the question first, then make any explanation you wish.

Mr. POLIZZI. The question is a little different, sir.

Senator O'CONOR. We will have it clarified. In what respect do you think it is ambiguous or confusing?

Mr. POLIZZI. The statement was made—I made the statement that I got away from Cleveland because of the publicity, sir.

Senator O'CONOR. That is what you understood you testified to in Cleveland?

Mr. POLIZZI. Yes.

Mr. NELLIS. You didn't testify—

Mr. POLIZZI. I understood the question at that time to be that I left Cleveland, that is, I made a statement that I left Cleveland because I was getting headaches and lots of publicity, and it was one of my main reasons. Later on I was asked the question that I got away from the city to get away from certain elements of people. Now, knowing the statement that I had made, I thought the question was that I got away from Cleveland to get away from a certain element of people. That isn't what I thought. I thought the question was that I got away from a certain publicity that I was getting and all of these headaches, which I answered "Yes" to.

Mr. NELLIS. Is it your testimony now that you did not say you were getting away from Cleveland in order to avoid the associations of the past and try to go straight?

Mr. POLIZZI. No, I did not—

The CHAIRMAN. Mr. Chairman?

Senator O'CONOR. Senator Kefauver.

The CHAIRMAN. I think by way of background, Mr. Polizzi in Cleveland at that time, represented by Mr. Parker Fulton, who is president, I believe, of the county bar association, the county in which Cleveland is located—at that time Mr. Polizzi, I believe your attitude was that as of 1945 that you had left Cleveland and gone to Florida and reformed and left all the past behind you, and that you and Mr. Fulton took the position that you would testify about anything that happened after 1945, but you wouldn't testify about these matters that occurred prior to 1945. Isn't that correct?

Mr. POLIZZI. That is right, Senator.

The CHAIRMAN. And that was based, as I understood and know the record will show, that you just cut off your past life in 1945 and you didn't want to be repeating it or talking about it.

Mr. POLIZZI. That is right, Senator. Now, what I meant by the statement was that I was getting away from any business that was illegitimate; that I didn't want anything to do with anything that was illegitimate in any way, shape, or form.

Mr. NELLIS. But you didn't care about the associations of the past; is that right?

Mr. POLIZZI. As far as—

Mr. NELLIS. You may have been getting away from illegitimate business, but you weren't too concerned about getting away from illegitimate friends of the past; is that right?

Mr. POLIZZI. Mr. King did not have any record from 1923 on.

The CHAIRMAN. He had quite a record of arrests and what not. You mean he was not convicted?

Mr. POLIZZI. He hasn't been convicted since 1923, and I have been arrested myself many times, and naturally I wouldn't think that was

very kind, to accuse somebody for the same things you have been accused for.

Mr. NELLIS. Mr. Chairman, Mr. King's record is part of the record in the Cleveland hearings and will speak for itself.

Getting back to this Grand Hotel now, Mr. Polizzi—

Mr. POLIZZI. Yes.

Mr. NELLIS (continuing). You were in that and gave a mortgage to the hotel corporation?

Mr. POLIZZI. That is right.

Mr. NELLIS. How long were you in there before you got your money back?

Mr. POLIZZI. I don't think it was more than 3 months. As a matter of fact, I didn't even charge him interest.

Mr. NELLIS. You got your \$92,000 back?

Mr. POLIZZI. I got every cent of it back, and I did not want any interest for it.

Mr. NELLIS. Who is Harlan Street; do you know him?

Mr. POLIZZI. He is an attorney in Miami.

Mr. NELLIS. He is a son of Benny Street, who is one of your partners; is that not right?

Mr. POLIZZI. That is correct, sir.

Mr. NELLIS. And he was resident agent of this company, Polkin?

Mr. POLIZZI. He was what?

Mr. NELLIS. He was named by the incorporators as resident agent of this corporation?

Mr. POLIZZI. I believe so, because I dealt with them in getting my security.

Mr. NELLIS. What kind of a clientele do they have at the Grand Hotel, Mr. Polizzi?

Mr. POLIZZI. They have a clientele the same as any other hotel on the beach.

Mr. NELLIS. The same as the Sands Hotel?

Mr. POLIZZI. Pardon me?

Mr. NELLIS. The same as the Sands Hotel?

Mr. POLIZZI. Are you talking about the Grand now?

Mr. NELLIS. Yes.

Mr. POLIZZI. I do not know anything about it.

Mr. NELLIS. I asked what kind of clientele.

Mr. POLIZZI. I thought you meant the Sands. I don't know anything about the Grand.

Mr. NELLIS. You don't know anything about the Grand?

Mr. POLIZZI. No, sir; I do not.

Senator O'CONNOR. The other answer you made was made by you under the assumption that the question was directed to the Sands Hotel?

Mr. POLIZZI. Yes.

Mr. NELLIS. Your answer was that the clientele at the Sands Hotel was good; is that right?

Mr. POLIZZI. That is right; at the Sands Hotel; yes, sir.

Senator O'CONNOR. Similar to the clientele of the other hotels on the beach?

Mr. POLIZZI. That is right, sir; but I do not know anything about the Grand Hotel.

Mr. NELLIS. You never heard that the Grand Hotel became a hang-out for the kingpins of gangsterdom; is that right?

Mr. POLIZZI. I am sorry, I don't know anything about the Grand Hotel.

Mr. NELLIS. And that the Sands Hotel was also a hang-out for gangsterdom?

Mr. POLIZZI. I beg your pardon. The Sands was not a hang-out for any such people.

Mr. NELLIS. Did you not testify in Cleveland that a whole host of people from all over the United States with long criminal records were people that you met there at your cabana?

Mr. POLIZZI. I did not say that, sir. I said that I met people. I didn't say that I met them at the Sands. I have met a few people at the Sands.

Mr. NELLIS. What about Herbert Stark, as an example?

Mr. POLIZZI. I have met Herbert Stark at the Sands. He had a cabana there.

Mr. NELLIS. That is right.

Mr. POLIZZI. That is right.

Mr. NELLIS. And Willie Weisburg?

Mr. POLIZZI. Willie Weisburg, I believe, I did meet him at the Sands.

Mr. NELLIS. Sure, you did.

Mr. POLIZZI. Yes, I did.

Mr. NELLIS. And what about Nig Rosen, Harry Stromberg?

Mr. POLIZZI. I met him there, too.

Mr. NELLIS. Sure, you did.

Mr. POLIZZI. All right. But may I make an explanation there?

Mr. NELLIS. Surely.

Mr. POLIZZI. The Sands Hotel caters to anybody, between 5,000 and 7,500 people a season, each season, and it is a turn-over.

Mr. NELLIS. Do you think—

Mr. POLIZZI. Pardon me. Out of all these people there may be four or five people that might have had a record.

Mr. NELLIS. You testified about more than four or five, but you think it is natural that people with records, and from all over the United States, would gravitate to a single place by pure coincidence?

Mr. POLIZZI. That isn't so, Mr. Nellis. There is only about four or five people, as you stated, yourself.

Mr. NELLIS. No; I did not state that. I asked you about four or five, but there are lots more I can ask you about. Mr. Chairman, I do not intend to take the time of the committee at this time to reread the Cleveland testimony. The record there speaks for itself.

The CHAIRMAN. I think, also to cut that matter short that in the appendix of the Florida report there will be shown from the registration records of the Grand Hotel, the Sands Hotel, and the Wofford Hotel, who some of the people were that stayed there. I mention that so you can refer to the report from Florida. That was brought out in the Florida testimony.

Senator TOBEY. Mr. Witness, you said something about a cabana. What is a cabana?

Mr. POLIZZI. That is a place where you can dress and undress for the beach, sir.

Mr. NELLIS. Do you recall the testimony in Cleveland about the Thompson-Polizzi Construction Co.?

Mr. POLIZZI. I believe I do. I read the record over.

Mr. NELLIS. You recall the testimony?

Mr. POLIZZI. Yes, sir.

Mr. NELLIS. Do you recall that you testified your partners in that business were Vincent "Doc" Mangine and Forrest W. Thompson?

Mr. POLIZZI. That is right. Along with Mr. Thompson's both boys.

Mr. NELLIS. Both boys of Mr. Thompson are in that business?

Mr. POLIZZI. That is correct, sir.

Mr. NELLIS. Do you recall you were questioned concerning the circumstances by which Forrest Thompson sponsored the parole of James Licavoli from the penitentiary in 1946?

Mr. POLIZZI. I recall, and I would like to explain that, since I have had a chance to dig into it a little.

Mr. NELLIS. I was going to ask you about that.

Mr. POLIZZI. I will be very happy to explain that.

Mr. NELLIS. Before you do that, I would like to state for the record that James Licavoli is a man with a long criminal record who was in the penitentiary in 1946 in Ohio, and he was released upon the sponsorship of Mr. Polizzi's partner, Forrest Thompson. There was testimony to the effect that Thompson did not know Licavoli personally at all at that time. And the inference was drawn that he must have sponsored the parole through the efforts of Mr. Polizzi, who was a close friend of "Doc" Mangine, with whom he went to live after he got out of jail.

Senator O'CONOR. You have heard this statement?

Mr. POLIZZI. I will be glad to clarify the whole situation because, as I said before, I dug into it because I knew it was important. And when I went back to Florida to see my associate, Mr. Thompson, I asked him about this particular letter; and he said to me that he did write a letter for this person.

I said, "Well, did you know me at the time that you wrote that letter?" He said, "Hell, no." Pardon me, he did not. "I didn't know you; that was in 1946," he said. "We got together in 1947." And there was absolutely nothing to it. He said, "If anybody asks me, I would do it again." And that is all there is to it. And Mr. Thompson said to me that when he sent that letter to the parole board that a parole member or an investigator for the parole board went to talk to him and told Mr. Thompson, asked Mr. Thompson if he was the person that wrote this letter for this man that was up.

Mr. NELLIS. You know him; give his name.

Mr. POLIZZI. Up for parole, Mr. Licavoli.

Mr. NELLIS. Yes; surely.

Mr. POLIZZI. Up for parole. Well, I don't know about Mr. Thompson, whether he knows him. So that investigator asked him whether he had written this letter. Mr. Thompson said "Yes." And the investigator said to him, he said, "I wish we had more people like you because, after all, it is these people that have got to have jobs when they come out, and I am very happy about the whole situation as far as you are concerned."

However, that is what Thompson told me. And Licavoli had never gone to work for us. I don't know what happened there, but he never did work for Thompson or never did work for me.

Mr. NELLIS. Did you ask Thompson how it happened that he, a complete stranger to you and a complete alleged stranger to Licavoli, happened to sponsor his parole; why did he not pick one of 50,000 other convicts?

Mr. POLIZZI. I did ask him.

Mr. NELLIS. What is the answer?

Mr. POLIZZI. He told me an attorney friend of his recommended Licavoli.

Mr. NELLIS. What was his name?

Mr. POLIZZI. Nick Mangine.

Mr. NELLIS. Sure. And is he not the brother of Vincent "Doc" Mangine?

Mr. POLIZZI. Yes.

Mr. NELLIS. Was not Mangine your partner at that time?

Mr. POLIZZI. Not at that time. Wait a minute.

Mr. NELLIS. But he was your partner and your lifelong friend?

Mr. POLIZZI. He has been my friend, and he still is my friend.

Mr. NELLIS. Did you ever hear that Licavoli went into the slot-machine business shortly after he got out of jail?

Mr. POLIZZI. I don't know anything about Mr. Licavoli, or Licavoli, and what he did or what he did not do. That is right.

Mr. NELLIS. That is your explanation of how it came that your partner, a complete stranger to Licavoli and to you, you say now, happened to sponsor Licavoli's parole; is that right?

Mr. POLIZZI. I don't know what the—so far as the sponsoring is just exactly the way I explained it; and, if you want any further information on it in particular deal, why, you can ask—

Mr. NELLIS. Did not Vincent Mangine—

Mr. POLIZZI. He is here. He is here in this room right now; and, if you would like to ask him those questions, I am sure he would like to explain it.

Mr. NELLIS. Let me ask you the question first, sir. Did not "Doc" Mangine, through his brother Nick, come to you and ask you to intercede with Thompson for Licavoli's parole?

Mr. POLIZZI. He did not. He did not. I don't know whether I was even in Cleveland at the time. I was in Florida.

Mr. NELLIS. It was not arranged by telephone or otherwise?

Mr. POLIZZI. Absolutely not.

Mr. NELLIS. Did you ever make any trips with Moe Dalitz?

Mr. POLIZZI. Yes.

Mr. NELLIS. When?

Mr. POLIZZI. In the thirties.

Mr. NELLIS. Mr. Chairman, I have to explain that Mr. Dalitz that I am asking about is a prospective witness on whom the committee has been unable to serve a subpoena. When did you say you made a trip with him?

Mr. POLIZZI. I think in 1936 or 1937.

Mr. NELLIS. Where did you go?

Mr. POLIZZI. To Mexico to hunt.

Mr. NELLIS. To hunt?

Mr. POLIZZI. On a hunting trip.

Mr. NELLIS. Whom did you meet while there?

Mr. POLIZZI. Who did we meet? I don't know anyone in particular. We went to get some guides in Nogales, Mexico.

Mr. NELLIS. Did you know about Mr. Dalitz's business at the time you went with him?

Mr. POLIZZI. Mr. Dalitz? Yes; I did.

Mr. NELLIS. You knew he was a gambler, a known gambler; is that right?

Mr. POLIZZI. He was interested in gambling. I don't know what phase of it.

Mr. NELLIS. Was he ever a partner of yours in any slot-machine business?

Mr. POLIZZI. No.

Mr. NELLIS. Never?

Mr. POLIZZI. No.

Mr. NELLIS. So far as you know?

Senator O'CONOR. In what form of gambling was he actually interested?

Mr. POLIZZI. I believe casinos. I am not too sure about his business. I know that it was gambling.

Mr. NELLIS. You knew he was identified with gambling operations?

Mr. POLIZZI. Yes.

Mr. NELLIS. Is that correct?

Mr. POLIZZI. He was identified with the gambling.

Mr. NELLIS. As counsel, I will state that is the same Dalitz that the testimony revealed subsequently acquired a substantial interest in the steel business in Detroit. That is the man.

Senator O'CONOR. That is the man?

Mr. POLIZZI. I believe so.

Mr. NELLIS. The record of the committee so shows.

In 1946 did you make a trip with Morris Kleinman?

Mr. POLIZZI. When?

Mr. NELLIS. 1946, or any time around that, 1945 or 1947, did you make a trip to New York with Morris Kleinman?

Mr. POLIZZI. I have been in New York with Kleinmen; yes.

Mr. NELLIS. What was the nature of your business there?

Mr. POLIZZI. We went to see the fights.

Mr. NELLIS. You went to see the fights?

Mr. POLIZZI. Yes.

Mr. NELLIS. At the time you went—which was past 1945, was it not?

Mr. POLIZZI. I believe it was.

Mr. NELLIS. You knew Mr. Kleinman was engaged in illegitimate activities all over the lot, did you not; it is common knowledge?

Mr. POLIZZI. Yes; I did. I did know that he was in illegal enterprises.

Mr. NELLIS. Mr. Polizzi, is it not a fact that you have made no real effort to avoid your associations of the past; is that not a fact?

Mr. POLIZZI. I don't know. I like people and people like me, and I like to be liked by everyone, and Mr. Kleinman asked me if I would like to go to the fights, and I went with him, and I said I would, I mean.

Mr. NELLIS. You see how easily that statement shatters all of your statement about trying to get away from it all?

Mr. POLIZZI. I am trying to get away from all of the publicity.

Mr. NELLIS. In other words, you do not care about the associations?

Mr. POLIZZI. Any illegal business.

Mr. NELLIS. Is that right?

Mr. POLIZZI. As long as I don't have any illegal business in any way, shape, or form, I don't think I am doing anything wrong.

Mr. NELLIS. You are not concerned about the associations as long as there is no unfavorable publicity?

Mr. POLIZZI. As far as I am concerned, I don't butt into other people's business. They do whatever they please, and I do likewise, and I am not so easily led that I can be led into anything that is wrong.

Mr. NELLIS. One last question, Mr. Chairman, at this time. Do you recall the conviction in 1944 for violation of the alcohol-tax laws?

Mr. POLIZZI. I do.

Mr. NELLIS. Did you not go to Chicago and meet somebody to get this thing set up?

Mr. POLIZZI. Did I go to Chicago to meet somebody?

Mr. NELLIS. Did you not have a good friend in Chicago with the Pioneer Liquor Co. or some such company that put you into this business?

Mr. POLIZZI. I don't know. I can't—the only thing I know when this thing come up that I did make some calls, long-distance calls, from my office to Chicago.

Mr. NELLIS. Who did you call there?

Mr. POLIZZI. Well, I called several men in the beer industry.

Mr. NELLIS. Who specifically?

Mr. POLIZZI. He isn't with the company any more. I know I called several offices that were recommended to me by this person that worked in the wholesale beer business.

Mr. NELLIS. You do not know their names?

Mr. POLIZZI. I know their names. I just can't think of it. I am trying to think.

Mr. NELLIS. Don't you know Ulrich Vogt, "Sonny" Vogt?

Mr. POLIZZI. Yes, sir; I have talked to him.

Mr. NELLIS. His name is Vogt, V-o-g-t, and he is from the Peerless Liquor Co., of Chicago?

Mr. POLIZZI. Yes; I have talked with him.

Mr. NELLIS. Is that right?

Mr. POLIZZI. I have talked with him.

Mr. NELLIS. Did he not set you up in this deal wherein there is a movement of untaxed liquor from Chicago and Bardstown, Ky., into Ohio?

Mr. POLIZZI. Mr. Nellis, I want to tell you that, so far as taxes or any of that stuff was concerned, everybody got their taxes, and only one that lost any money on the deal was me.

Mr. NELLIS. Was it not a fact that Vogt was the person that set you up on the deal whereby this liquor moved from Chicago and Bardstown, Ky., into Ohio; that is what I asked you; was that not the basic fact involved in that case in 1944?

Mr. POLIZZI. I don't know about the operation of it. Vogt did send some liquor through the State of Ohio for the various accounts in Cleveland who had picked up this liquor in the State stores.

Mr. NELLIS. You were involved in that; is that not right?

Mr. POLIZZI. That is the case that I was involved in.

Mr. NELLIS. That is right. And you went to jail for that, did you not?

Mr. POLIZZI. Yes; I did.

Mr. NELLIS. I have no further questions at this time, Mr. Chairman.

Senator O'CONOR. Is there anything further that the witness desires to say?

Mr. WHITAKER. Mr. Chairman, he is willing to answer any questions that the committee want to propound, and that is his purpose here, to purge himself—I say frankly that that is my opinion—purge himself of the refusal before, and he stands willing to answer any questions, but there is no further statement we care to make.

Senator O'CONOR. Are there any further questions?

Senator TOBEY. Mr. Polizzi, the Thompson-Polizzi Construction Co. built the Wilametco Theater?

Mr. POLIZZI. The theater; yes, sir. It is a chain the Wilametco, and the theater is the Carib.

Senator TOBEY. You had a part in building some of their theaters?

Mr. POLIZZI. Yes; we have done a lot of their work.

Senator TOBEY. You are now building a theater on Lincoln Road?

Mr. POLIZZI. We finished with that.

Senator TOBEY. That is done?

Mr. POLIZZI. Yes, sir.

Senator TOBEY. And an open-air theater on the boulevard?

Mr. POLIZZI. That is finished.

Senator TOBEY. You built Joe Massei's home at Miami Beach?

Mr. POLIZZI. Yes; we did.

Senator TOBEY. What was the cost of that?

Mr. POLIZZI. It was approximately ninety thousand.

Senator TOBEY. Ninety thousand?

Mr. POLIZZI. I would not be sure unless I saw the figures.

Senator TOBEY. You did the work for McBride on the building near where the A & P is?

Mr. POLIZZI. The Food Fair; yes, sir.

Senator TOBEY. And the theater building adjacent to it in Coral Gables?

Mr. POLIZZI. Yes; that was an extension, you mean?

Senator TOBEY. Yes. You have a contract to build a \$360,000 school building in Florida?

Mr. POLIZZI. \$423,000.

Senator TOBEY. When did the markup occur?

Mr. POLIZZI. When did the markup occur?

Senator TOBEY. Originally \$360,000 was it not?

Mr. POLIZZI. I believe we were low bidders with \$422,600.

Senator TOBEY. And you were the lowest bidder?

Mr. POLIZZI. Yes.

Senator TOBEY. When do you expect to start work on that contract?

Mr. POLIZZI. As soon as we can get the contract signed. They are not signed yet, sir.

Senator TOBEY. It is being held up?

Mr. POLIZZI. Yes.

Senator TOBEY. Who is holding it up?

Mr. POLIZZI. I don't know, sir. Pardon me. They haven't—the school board has not met yet. They are to meet and allocate the work as of Wednesday.

Senator TOBEY. Did they meet to open the contracts?

Mr. POLIZZI. We met at the time of the contracts in open bidding.

Senator TOBEY. On the bidding?

Mr. POLIZZI. Yes.

Senator TOBEY. Beyond the awarding of the contract, nothing has been done; that right?

Mr. POLIZZI. Nothing to be done until they meet again.

Senator TOBEY. When they meet again they are supposed to approve the contract in writing; is that it?

Mr. POLIZZI. Yes.

Senator TOBEY. That is the one thing you lack now?

Mr. POLIZZI. Yes.

Senator TOBEY. And why are they holding up the contract?

Mr. POLIZZI. Why are they holding it up?

Senator TOBEY. To make some inquiries, to find out whether they are hostile to give it to Polizzi?

Mr. POLIZZI. No, they are not holding up the contract as of yet, sir. They don't meet until Wednesday, and we could not, nobody could possibly get that contract until Wednesday.

Senator TOBEY. You expect to be approved on Wednesday?

Mr. POLIZZI. Yes; I do.

Senator TOBEY. You have reason to believe that?

Mr. POLIZZI. I hope so.

Senator TOBEY. You would be very much surprised if it is not; will you not?

Mr. POLIZZI. I will be sorry and disappointed if we don't get it, sir.

Senator TOBEY. And do you furnish a bond?

Mr. POLIZZI. Yes; we do.

Senator TOBEY. How much of a bond?

Mr. POLIZZI. For the entire job.

Senator TOBEY. Covering the \$423,000?

Mr. POLIZZI. Covering whatever the work costs.

Senator TOBEY. Who do you give your insurance on surety bonds to?

Mr. POLIZZI. We have given it to several people.

Senator TOBEY. Who is your pet firm; whom do you give most of it to?

Mr. POLIZZI. There is no pet firm.

Senator TOBEY. How do you ration it out then?

Mr. POLIZZI. We don't. There is no pet firm, sir. We give it to anybody that—

Senator TOBEY. Asks for it, anybody that asks for it?

Mr. POLIZZI. Yes, that we can work out with all right, yes. That would be all right, mutually.

Senator TOBEY. What is your net worth?

Mr. POLIZZI. My net worth?

Senator TOBEY. Yes.

Mr. POLIZZI. I made a statement as to that before.

Senator TOBEY. What was the statement?

Mr. POLIZZI. I said approximately in the neighborhood of \$300,000.

Senator TOBEY. \$300,000 clear?

Mr. POLIZZI. Yes.

Senator TOBEY. And what income did you pay last year to the Federal Government, on how much income?

Mr. POLIZZI. Well, I have figured out in the last 5 years—in the last 5 years I have filed net income—or 6 years—net income of about \$130,000.

Senator TOBEY. Each year?

Mr. POLIZZI. No, for the entire 6 years.

Senator TOBEY. For the 6 years?

Mr. POLIZZI. Yes.

Senator TOBEY. All 6 years?

Mr. POLIZZI. Yes. And all of it legitimately, sir. And there are returns that will show it, and they have had—you have had, this committee has had my returns.

Senator O'CONOR. I would like to ask the witness what knowledge you have of the existence of an organization known as the Mafia?

Mr. POLIZZI. There has been some talk about that. There is no such thing as an existing Mayfield Road mob or gang or whatever they prefer to call it, so far as I know. There is none.

Senator O'CONOR. Why do you say that you know there is none?

Mr. POLIZZI. Because I have been accused of it.

Senator O'CONOR. You have been accused of it as the result of that accusation?

Mr. POLIZZI. I have gone into it.

Senator O'CONOR. In other words, you have been accused of membership in it, have you not?

Mr. POLIZZI. I have been accused of starting it.

Senator O'CONOR. Of what?

Mr. POLIZZI. Of starting it.

Senator O'CONOR. And being the actual one of the originators?

Mr. POLIZZI. That is right; but it is not true.

Senator O'CONOR. There are two different ones. What are you referring to, the Mafia gang or the Mafia, known as the nation-wide organization?

Mr. POLIZZI. I don't know anything about either one of them, sir.

Senator O'CONOR. When you were referring to the fact that you had been accused of membership, what were you referring to?

Mr. POLIZZI. I was referring to that they have accused me of both. They have accused me of being in the Mafia and accused me of being in the Mayfield Road gang, and I absolutely deny it. It is not true.

Senator O'CONOR. One of them is described as a murder gang.

Mr. POLIZZI. Everything that is the worst that anybody could be.

Senator O'CONOR. Is there anything further that you wish to say?

Mr. POLIZZI. I can't think of anything.

The CHAIRMAN. When you were investigating to see whether there was a Mafia what inquiry did you make?

Mr. POLIZZI. I didn't say that, sir. I meant the Mayfield Road gang.

The CHAIRMAN. The Mayfield Road gang?

Mr. POLIZZI. Yes.

The CHAIRMAN. You have heard of that gang a long time?

Mr. POLIZZI. I have heard of it, yes, and it has been shot at me so many times I am dizzy from it.

The CHAIRMAN. You had business with a good many people who were in the so-called Mayfield Road gang?

Mr. POLIZZI. There is no Mayfield Road gang, Senator.

The CHAIRMAN. You had business with Frank Milano, did you not?

Mr. POLIZZI. Yes, I have.

The CHAIRMAN. You have had business with "Doc" Mangine?

Mr. POLIZZI. Yes, I have.

The CHAIRMAN. Vincent Mangine?

Mr. POLIZZI. Is he supposed to be from the Mayfield Road gang?

The CHAIRMAN. I am just asking if you had business with them.

Mr. POLIZZI. I have got business with Mangine.

The CHAIRMAN. And Louis Rothkopf?

Mr. POLIZZI. Yes.

The CHAIRMAN. And a fellow by the name of Haas is your attorney out in Cleveland, or used to be, is he not?

Mr. POLIZZI. No, no. That was all in the thirties.

The CHAIRMAN. That was in the thirties, that is right.

Mr. POLIZZI. That is right.

The CHAIRMAN. And you had this auditor, Alvin Giesey who filed the income tax returns for you and most of the other gamblers and people in Cleveland who were in illegal businesses, did you not?

Mr. POLIZZI. That was true insofar as, so far back as he filed my taxes in 19—the last of it was in 1944.

The CHAIRMAN. That is when you went to Florida?

Mr. POLIZZI. Then I left the city.

The CHAIRMAN. And in the thirties and early forties, Haas was your lawyer and Giesey was your accountant?

Mr. POLIZZI. Haas was not my lawyer, sir.

The CHAIRMAN. He appears to have been your lawyer at one time, does he not?

Mr. POLIZZI. No.

The CHAIRMAN. What information did you establish about the so-called Mafia?

Mr. POLIZZI. I don't know anything about the Mafia, sir.

The CHAIRMAN. Mr. Polizzi, you were born, I believe, in Sicily?

Mr. POLIZZI. Yes, I was.

The CHAIRMAN. How old were you when you came over?

Mr. POLIZZI. I was 9 years old.

The CHAIRMAN. And where did you come to when you came over here?

Mr. POLIZZI. To Cleveland.

The CHAIRMAN. And you got naturalized in 1926, I believe?

Mr. POLIZZI. I did.

The CHAIRMAN. And you plead guilty to perjury for making an improper, false statement in your naturalization papers?

Mr. POLIZZI. I did; because it was right.

The CHAIRMAN. You said in your naturalization paper that you never had been convicted and, as a matter of fact, you had been convicted when you made the statement in your naturalization papers that you had not been, is that correct?

Mr. POLIZZI. That is correct.

The CHAIRMAN. And you were convicted, but did not serve any time on that charge; or did you serve time on that prejury charge?

Mr. POLIZZI. No, sir; that was with reference to the—to my citizenship papers—that was no—there was no question about serving time there.

The CHAIRMAN. What I mean is that you were naturalized and you made—you perjured yourself in your naturalization papers, saying that you never had been convicted when, as a matter of fact, you had been—you had already served a 5-year term in Atlanta at that time?

Mr. POLIZZI. That is wrong, sir.

The CHAIRMAN. You served some time in Atlanta?

Mr. POLIZZI. I did not. I never served anything in Atlanta.

The CHAIRMAN. You served a violation of the National Prohibition Act?

Mr. POLIZZI. That was in Dayton, Ohio. That was not in Atlanta.

The CHAIRMAN. You never served any time?

Mr. POLIZZI. That was only 6 months, which I served 5 months of.

The CHAIRMAN. On April 6, 1921, Al Polizzi, No. 12318, received at United States prison, Atlanta?

Mr. POLIZZI. That is wrong. That is absolutely wrong. I was never in Atlanta.

The CHAIRMAN. Never in Atlanta?

Mr. POLIZZI. Absolutely.

The CHAIRMAN. That came from the Cleveland police record. I do not understand.

Mr. POLIZZI. They have said a lot of things about me, Senator, that are not true.

The CHAIRMAN. Do you suppose that could be Chuck Polizzi?

Mr. POLIZZI. Yes.

The CHAIRMAN. He did serve in Atlanta?

Mr. POLIZZI. Yes; he did.

The CHAIRMAN. They got you and Chuck mixed up on it?

Mr. POLIZZI. They have often done that.

The CHAIRMAN. All right. I am glad to have that explanation.

Mr. POLIZZI. I am, sir.

The CHAIRMAN. I think you ought to get in touch with the fellow who keeps the records at Atlanta, because they have got your name down there.

Mr. POLIZZI. That is absolutely wrong, sir, and I certainly will.

The CHAIRMAN. Anyway, what happened on the perjury case that was brought against you after you made a perjured statement in your immigration application?

Mr. POLIZZI. There was no charge of perjury. The only thing there was the question of my citizenship papers at the time.

The CHAIRMAN. The case was dropped, was it not, on the instructions of the Attorney General?

Mr. POLIZZI. Yes; it was dismissed.

The CHAIRMAN. But the case was brought against you on perjury?

Mr. POLIZZI. No; there was no perjury served against me.

The CHAIRMAN. It says here that the case was dropped later on instructions from the United States Attorney General, is that correct?

Mr. POLIZZI. If you have a record there. My recollection is that I was.

The CHAIRMAN. Who was the Attorney General of the United States in 1928?

Mr. POLIZZI. I don't know.

The CHAIRMAN. Mr. Polizzi, back in the old days during prohibition, you did have quite a rum-running business, bringing in liquor into Detroit over Lake Erie, did you not?

Mr. POLIZZI. You mean over Lake Erie to Cleveland or in Detroit. Lake Erie is Cleveland and the river is Detroit.

The CHAIRMAN. Yes, well, to Cleveland. That was your business?

Mr. POLIZZI. Well, I had business in both cities.

The CHAIRMAN. In both cities?

Mr. POLIZZI. That is right.

The CHAIRMAN. A very extensive business. You were one of the big rum runners of those days, is that not correct?

Mr. POLIZZI. Well, I don't know about that.

Senator TOBEY. Do not be too modest.

The CHAIRMAN. That is where you made this tremendous amount of money that you accumulated.

Mr. POLIZZI. I did not. I did not. My income tax reports will show where I made my money.

The CHAIRMAN. And you were associated with the same people that you are still associated with in the rum-running days?

Mr. POLIZZI. I am not associated with those people, sir.

The CHAIRMAN. Well, you have got Angersola and King and the others?

Mr. POLIZZI. With the exception of King, that is all, Mr. King.

The CHAIRMAN. Magine, you are still associated with him?

Mr. POLIZZI. "Doc" Magine never had anything to do with any liquor.

The CHAIRMAN. You were in the slot machine business with "Doc" Magine?

Mr. POLIZZI. I was not.

The CHAIRMAN. He was in the business?

Mr. POLIZZI. I don't know if he was or not, but I was not in with it.

The CHAIRMAN. You and Mickey McBride went into business together down in Florida, did you not?

Mr. POLIZZI. We had real estate dealings together, yes.

The CHAIRMAN. You bought up a golf course and turned it into the University Estates; is that not correct?

Mr. POLIZZI. Well, it was supposed to have been a golf course. It was never developed into a golf course. It was called Shriners' Golf Course, but just a plot of ground.

Senator TOBEY. I have seen a lot that are supposed to be golf courses and are not.

Mr. POLIZZI. So I have.

The CHAIRMAN. You paid over \$100,000. Was that your share?

Mr. POLIZZI. My share was about \$52,000.

The CHAIRMAN. Then in 1948 you put the property in some kind of a holding company?

Mr. POLIZZI. We sold the property. And in order to expedite the sale of those particular lots, because they were supposed to have been taken up for a month, we turned it into a holding company so that we did not have to sign each and every one of the releases.

The CHAIRMAN. You and he still have this real-estate development together?

Mr. POLIZZI. We are trying to sell it as the people that we sold it to defaulted and it was turned back to us, and we have been selling it ever since.

The CHAIRMAN. That is out in Coral Gables; is it not?

Mr. POLIZZI. Yes; it is.

The CHAIRMAN. That is a very valuable piece of property you have out there; is it not?

Mr. POLIZZI. Well, we are getting as low as \$15 a foot for it and that is the cheapest property you can buy anywheres within that district. I have got some lots some places I would not let go for any \$15.

The CHAIRMAN. Do you not value that property at about \$300,000 now?

Mr. POLIZZI. The Shriners got for us?

The CHAIRMAN. Yes.

Mr. POLIZZI. No, sir. I doubt if there is any \$50,000 left in the deal.

The CHAIRMAN. I mean what you got out of it and what you have got left, you made about \$300,000?

Mr. POLIZZI. No. My income tax and my closing statements will disclose exactly to the penny what was made and what it was purchased for.

The CHAIRMAN. You went in with John Angersola in the Sands Hotel?

Mr. POLIZZI. Sands Hotel; Mr. King is associated with me in my interests.

The CHAIRMAN. You had a part of King's share in the Sands Hotel?

Mr. POLIZZI. Yes.

The CHAIRMAN. What part do you have?

Mr. POLIZZI. I have 25 percent all told, and he has half of that, which is 12½.

The CHAIRMAN. Well, you still have that; do you not?

Mr. POLIZZI. Yes.

The CHAIRMAN. Then, in this financing in the Polkin, Inc., you told about how you financed him in the Grand Hotel. You have already told about the Grand Hotel where you had a mortgage on part of the property.

Mr. POLIZZI. Yes; but that was only about 3 months.

The CHAIRMAN. Now, in the Wofford Hotel, you never had an interest; did you?

Mr. POLIZZI. No.

The CHAIRMAN. But John King had an interest in the Wofford Hotel as one of the three partners; did he not?

Mr. POLIZZI. Yes.

The CHAIRMAN. Along with this fellow from New Jersey; what is his name?

Mr. POLIZZI. I don't know his associates.

The CHAIRMAN. Well, you know the man, you testified about him in Cleveland.

Mr. POLIZZI. Well, I perhaps met him; I don't know who was in the deal and who is not in the deal.

The CHAIRMAN. His first name is "Little Augie" Pisano.

Mr. POLIZZI. I testified before that I had met the man but never had any business or any association with him whatsoever.

The CHAIRMAN. But you know "Little Augie" quite well?

Mr. POLIZZI. I said I know him, sir, but I never had any dealings with him or any business.

The CHAIRMAN. That is the hotel that Abe Allenberg operated, was it not?

Mr. POLIZZI. I believe it was. He was in that deal; I don't know anything about it.

The CHAIRMAN. Now, there is one thing that we want to get straight, this fellow James Licavoli, who has quite a record, I believe, who has

quite a record, and you know quite well, the purpose for anybody's writing a letter to the parole board would be that they would know him when they got out of the penitentiary, wasn't that the purpose?

Mr. POLIZZI. Well, do you suppose that should be addressed to me, Senator?

The CHAIRMAN. Well, I mean you have talked with Mr. Forrest Thompson, your partner in the construction business, about it, and I believe the letter—we have information—was to the effect that he would vouch for him, and also give him employment?

Mr. POLIZZI. I didn't know anything about that letter, Senator, and I didn't even know Thompson at the time the letter was written.

The CHAIRMAN. When did you meet Thompson?

Mr. POLIZZI. I met him in 1947.

The CHAIRMAN. When did you form a partnership or corporation?

Mr. POLIZZI. Shortly thereafter.

The CHAIRMAN. The fact is, however, that you knew Licavoli quite well, that you had been in business with "Doc" Mangine.

Mr. POLIZZI. At that time I was not in business with Mangine.

The CHAIRMAN. Well, anyway Mangine went into the construction business with you?

Mr. POLIZZI. Yes.

The CHAIRMAN. Mangine got Thompson to stand good for Licavoli?

Mr. POLIZZI. Not the same Mangine that I know, from what Mr. Thompson tells me.

The CHAIRMAN. Well, it is his brother, is it not?

Mr. POLIZZI. It was his lawyer.

The CHAIRMAN. Yes.

Mr. POLIZZI. It was the lawyer, Mangine, that recommended Licavoli to Thompson.

The CHAIRMAN. But Lawyer Mangine is Vincent "Doc" Mangine's brother?

Mr. POLIZZI. Yes.

The CHAIRMAN. And then after James Licavoli got out of the penitentiary he came and stayed at the house of Vincent "Doc" Mangine?

Mr. POLIZZI. I wouldn't know that.

The CHAIRMAN. Well, you heard that, did you not?

Mr. POLIZZI. I have not heard that; I don't know.

The CHAIRMAN. Well, you testified—no, Licavoli testified to that.

Mr. POLIZZI. I was in Florida; I don't know what happened.

The CHAIRMAN. So you think it is just purely a coincidence that this thing happened about Licavoli?

Mr. POLIZZI. I don't know anything about it.

The CHAIRMAN. Now, Mr. Polizzi, the thing is—did you go on Mickey McBride's yacht from Cleveland down to Florida?

Mr. POLIZZI. I have never been—Senator—do you know, Senator, that was asked me before, and I am glad you bring that up, because I want to clear that absolutely. I was never in the Inland Waterway in my life, except for, maybe, from Florida, from Miami to Fort Lauderdale, that is, going north, never coming south, except on a round trip from Fort Lauderdale.

The CHAIRMAN. We asked if you had taken this trip on Mickey McBride's former yacht, and you say now that you have not, but you now own the *Wood Duck*, do you not?

Mr. POLIZZI. I sure do; I have owned it since 1946.

The CHAIRMAN. You bought it when?

Mr. POLIZZI. 1946.

The CHAIRMAN. 1946?

Mr. POLIZZI. In 1946 I bought it.

The CHAIRMAN. You bought it from Mickey McBride?

Mr. POLIZZI. No, I did not; I bought it from Mrs. King.

The CHAIRMAN. Mickey McBride sold it to the Kings, and you bought it from the Kings?

Mr. POLIZZI. I don't know whether he sold it to them or not; I don't think—wait a minute—well, I can't answer that. The only thing is—

The CHAIRMAN. McBride sold it to Fred King, who sold it to John King, and you bought it from John King, is that right?

Mr. POLIZZI. I bought it from Mrs. King; I don't know the other transactions.

The CHAIRMAN. Well, anyway Mrs. John King. How much did you pay for the *Wood Duck*?

Mr. POLIZZI. I paid \$5,000 for the *Wood Duck*.

The CHAIRMAN. Now, one other thing, you say that you wanted to do better after you went to Florida, but you kept practically the same acquaintances that you had in Cleveland, although some of them lived in Florida, is that not true?

Mr. POLIZZI. Have I ever been in any illegitimate business since I left Cleveland, Senator?

The CHAIRMAN. Well, I say, in fairness to you, not since the whisky conviction in 1944; but, as I remember, 1940 you also made the same allegations about going to cut off your old acquaintances, and then you got into another difficulty, so I hope this does not happen again. It is true that in 1940 you made the same averment, did you not, that you were going—

Mr. POLIZZI. I spoke to Mr. Selzer of the Cleveland Press—

The CHAIRMAN. You told him you were going straight from that time on.

Mr. POLIZZI. They printed a picture of me with a number on it, claiming that I was connected with the Ohio Villa, which was a gambling casino, and I went to see him. I told him that I did not have anything to do with it, and the least they could do is to verify it before they print any such news which is not true. What followed after, I began to tell them exactly the whole situation, and asked them to investigate me thoroughly, and if he thought I was in anything that was not right, he should go ahead and print the truth.

The CHAIRMAN. Anyway, you did get into some trouble after that, did you not?

Mr. POLIZZI. Yes; I did in 1944. That was with reference to trying to help my accounts.

The CHAIRMAN. Well, let us see just who you were in business with down in Florida. Mr. Thompson, in fairness, seems to be a man with no background, seems to be a competent contractor; Mangine has a record, has he not?

Mr. POLIZZI. No; he hasn't.

The CHAIRMAN. He has been in some difficulties.

Mr. POLIZZI. No; I have asked him, and he told me definitely he has not a record.

The CHAIRMAN. Has quite a number of arrests.

Mr. POLIZZI. I don't believe so; I would not swear to it because I don't know.

The CHAIRMAN. I think anyway—Mr. Nellis, do we have his record?

Mr. NELLIS. We have his record, sir, and I think it will be put in the record here.

The CHAIRMAN. In the Grand Hotel, there seems to be, according to the testimony in Florida, Fred Angersola of Cleveland.

Mr. POLIZZI. I have nothing to do with the Grand, Senator.

The CHAIRMAN. But you have a big mortgage on it.

Mr. POLIZZI. That was for Mr. King, Mr. John King.

The CHAIRMAN. Anyway, his associates in there were Thomas J. Cassara, Fred Angersola.

Mr. POLIZZI. Not at that time, sir, not when I loaned him the money.

The CHAIRMAN. He was not in there then, but he was in it at one time, you know.

Mr. POLIZZI. I suppose before this came about.

The CHAIRMAN. Then Bennie Street, did you know him?

Mr. POLIZZI. Bennie Street is associated with me in the Sands Hotel.

The CHAIRMAN. That is one of your partners, is it not?

Mr. POLIZZI. Well, he is my partner in the hotel business and I found out about his record, too, Senator, and I would like to state it—state what he told me, that he was——

The CHAIRMAN. We have his record, and he does have a record.

Mr. POLIZZI. Well, his record—he was arrested once in Philadelphia for, I think it was bookmaking, and he pleaded guilty to it and that is all the record that the man has got; that was in 1937, 11 years ago.

The CHAIRMAN. He has quite a number of arrests. I think.

Mr. POLIZZI. Well, I don't know about the arrests. All he told me——

The CHAIRMAN. We have some information about him.

Then you have the Massei boys, Joseph Massei from Detroit, also in the Grand Hotel?

Mr. POLIZZI. I don't know; not in the Grand Hotel when I loaned them the money.

The CHAIRMAN. Well, you know Joseph Massei?

Mr. POLIZZI. I do.

The CHAIRMAN. You have done business with him?

Mr. POLIZZI. I sure have.

The CHAIRMAN. You were arrested with him, or at the same time, on the same charge.

Mr. POLIZZI. Not with him, Senator. I believe he was arrested the next day, not the same day.

The CHAIRMAN. And you have as your partner Fred King?

Mr. POLIZZI. Fred King; I was a lifeguard with Fred King in 1917 at Luna Park.

The CHAIRMAN. Now, here in the Sands Hotel, you have got Bennie Street, Dave Glass, Nig Rosen——

Mr. POLIZZI. No, Nig Rosen is not associated in the hotel.

The CHAIRMAN. You say he is not one of the partners?

Mr. POLIZZI. Absolutely not.

The CHAIRMAN. I think the record shows that at one time he had an operating contract.

Mr. POLIZZI. He did not, not in the Sands Hotel.

The CHAIRMAN. How about Willie Weisberg?

Mr. POLIZZI. The only partners in the Sands Hotel are Levy, Street, Glass, and myself.

The CHAIRMAN. But Herman Stark, is he in the Sands Hotel?

Mr. POLIZZI. Herman Stark has no interest whatsoever in the Sands Hotel. I would not be saying these things, gentlemen—it is true.

The CHAIRMAN. You name the four now that have it.

Mr. POLIZZI. Irvin Levy, Bennie Street, and David Glass, myself, and Mr. King, who is interested with me.

The CHAIRMAN. Then that is beginning on what year?

Mr. POLIZZI. That lease was signed, I believe, 1946.

The CHAIRMAN. In 1946?

Mr. POLIZZI. In 1946.

The CHAIRMAN. Well, you should know and we will take your word for it, but you do not know whether they had an interest in it before that time?

Mr. POLIZZI. Since we have been in there, absolutely no interest whatsoever.

The CHAIRMAN. Well, I will say in justice to you, Mr. Polizzi, that the partnership agreement on the 15th day of August, 1946, does show the partners there to be Irving Levy, David Glass, Benjamin Street, and Alfred Polizzi. Polizzi has King as part of his interest.

Mr. POLIZZI. Yes.

The CHAIRMAN. But our record and testimony shows that sometime at the Sands Hotel that these other people were connected with it in some way.

Mr. POLIZZI. My recollection is that Mrs. Hall, who owned the hotel, was operating the hotel herself; I don't believe she had anybody else leasing it. However, that is only a surmise or a guess. I don't know. Since, I know that my partnership is with the people I just mentioned, and as far as anybody else is concerned, they have absolutely nothing to do with it.

The CHAIRMAN. Of course, Street and Glass, well, you have talked about their records, but they are from Philadelphia originally?

Mr. POLIZZI. Yes, they are, and I have talked to both; I have talked to Glass and I have talked to Street since my appearance before your committee, and I asked them specifically about their records, and both told me that they were arrested this one time in 1937, which is 11 years ago, and pleaded guilty to a charge of bookmaking or some such—it was a misdemeanor, however, and that is the extent of their criminal record. That is what they told me.

The CHAIRMAN. That is what they told you. I think it is fair to say that in the testimony in Florida, that that was considerably amplified on as to what they were in before.

Mr. POLIZZI. Were they convicted, sir, or just——

The CHAIRMAN. Well, the testimony in Florida has been printed, and I think their records are fully given in the testimony, but I remember distinctly there were quite a number of arrests.

Mr. POLIZZI. I don't know about that.

The CHAIRMAN. You did not know Charlie Fischetti when you went down to Florida, did you, when you first went there?

Mr. POLIZZI. Well, you know, I went to Florida, not only when I started living down there, but I was down there before. It is possible that I might have met him before 1945.

The CHAIRMAN. But you did get better acquainted with him after you got down to Florida?

Mr. POLIZZI. I would not say that, Senator.

The CHAIRMAN. You said in your testimony in Cleveland when the question was asked you, "Where did you meet him?"—your answer was, "I met him in Florida."

Mr. POLIZZI. That is right.

The CHAIRMAN. How about Rocco, do you know Rocco Fischetti, his brother?

Mr. POLIZZI. Yes; I do.

The CHAIRMAN. His brother, you met him, too?

Mr. POLIZZI. Yes, I do; I know them; I never had any dealings with them or any business.

The CHAIRMAN. Now, the Buckeye Catering Co., you testified about that. How about the City Vending Co.?

Mr. POLIZZI. I don't know anything about that, Senator.

The CHAIRMAN. Nate and Frances Weisenburg, you were in business with them, were you not?

Mr. POLIZZI. Yes; I was.

The CHAIRMAN. The slot-machine business?

Mr. POLIZZI. With Nate Weisenburg; that was the Buckeye Catering that I explained.

The CHAIRMAN. He is the one who got killed somewhere?

Mr. POLIZZI. I believe he was; he was killed.

The CHAIRMAN. Now, do you remember the Skill Amusement Co.?

Mr. POLIZZI. No; I don't.

The CHAIRMAN. How did you make money out of the Skill Amusement Co.?

Mr. POLIZZI. I don't know. I am not interested or was interested in any way, shape, or form with those companies that you just mentioned, like the Skill, Skilled Machine, or whatever this other one was.

The CHAIRMAN. Now, Mr. Giesey's report or testimony or books and records, and records we got from him have a reference to the Skill Amusement Co. and also to City Vending Co.

Mr. POLIZZI. Well, I am sure he must be mistaken because I have never had anything to do with either of those two companies.

The CHAIRMAN. Anyway, you do not remember?

Mr. POLIZZI. I am almost sure I have never had anything to do with those companies.

The CHAIRMAN. What was your business with Morris Kleinman?

Mr. POLIZZI. Well, that was strictly the prohibition era.

The CHAIRMAN. Morris Kleinman, for the record, is one of the witnesses that we have been looking for, and we have the Sergeant at Arms looking for. He is the man who invested—this group you were associated with—Kleinman, Rothkopf, and Sam Tucker—were the ones who put up about a million dollars for the Desert Inn.

Mr. POLIZZI. I don't know anything about that, Senator.

The CHAIRMAN. The Desert Inn out at Las Vegas.

Mr. POLIZZI. I know; I have seen about that in Las Vegas. As a matter of fact, they sent me one of their Christmas gadgets, that little roulette wheel and the thing that twirls; they were all the—

The CHAIRMAN. They were the same people, along with their auditor Giesey and their attorney Haas, who got into Detroit Steel?

Mr. POLIZZI. I don't know anything about it.

The CHAIRMAN. We are not accusing you of being in Detroit Steel. Were you ever in Detroit Steel?

Mr. POLIZZI. No.

The CHAIRMAN. Ever have any stock in it?

Mr. POLIZZI. No.

Senator TOBEY. Mr. Chairman, do you recall that old proverb about birds of a feather flocking together?

The CHAIRMAN. Yes; I remember it quite well.

The thing that does not appear very good, Mr. Polizzi, is that you still seem to be doing business with some of these people and keeping their association; and, even though you have gone to Florida and gotten another business, you still seem to be——

Mr. POLIZZI. Senator, I have no business with them whatsoever; I do see them occasionally; but you don't see people from one city to the other often. If they come to Florida, they may call me and I may see them, and if I am not busy I probably would see them. I certainly would not want this committee to think that I am running away from it.

The CHAIRMAN. What is the Leubeck Distributing Co.?

Mr. POLIZZI. It was a beer-selling company with a license to distribute wines.

The CHAIRMAN. Well, you were the owner or partner of the Leubeck Distributing Co., were you not?

Mr. POLIZZI. Yes, sir.

The CHAIRMAN. Do you own all of it or part of it?

Mr. POLIZZI. I own part of it.

The CHAIRMAN. Well, you own all of some distillery in Cleveland, do you not?

Mr. POLIZZI. No distillery. I believe there is a confusion there between distillery and brewery or distributing company.

The CHAIRMAN. Do you own all of the Tip Top Brewing Co.?

Mr. POLIZZI. No; I don't.

The CHAIRMAN. Do you still own part of it?

Mr. POLIZZI. The Tip Top Brewing Co has been liquidated since 1944.

The CHAIRMAN. Is there a new company that took its place?

Mr. POLIZZI. Not that I know of.

The CHAIRMAN. Do you own any interest in a brewery or distributing company now?

Mr. POLIZZI. There is—I think perhaps I can help you in that.

The CHAIRMAN. Yes.

Mr. POLIZZI. There is the Tip Top Distributing Co., which has a license to distribute beer and wines. Now, that was—this was the merger between the Leubeck Distributing Co. and the Tip Top Distributing Co., which is still in operation today.

The CHAIRMAN. Which you still own?

Mr. POLIZZI. Well, I do not own and have no stock in.

The CHAIRMAN. Well, now, did you not have a Pabst Sales Co.?

Mr. POLIZZI. No, never a Pabst Sales Co. There was a franchise from the Pabst Brewing Co. or Pabst Sales.

The CHAIRMAN. Well, you have the franchise?

Mr. POLIZZI. Yes.

The CHAIRMAN. Back in 1941?

Mr. POLIZZI. No.

The CHAIRMAN. When did you have it?

Mr. POLIZZI. In 1938.

The CHAIRMAN. Well, you got money from Pabst Sales Co. in 1941.

Mr. POLIZZI. That was a promotion.

The CHAIRMAN. That is what?

Mr. POLIZZI. That was a promotion for their sales.

The CHAIRMAN. You did a promotion job for them?

Mr. POLIZZI. Yes.

The CHAIRMAN. But you actually had the franchise back in 1938?

Mr. POLIZZI. No, it was in 1938; I believe it was that; I may be wrong on the date, but I thought it was in 1938. I am almost sure it was 1938.

The CHAIRMAN. Now, what was the Polizzi-Sparks Construction Co.?

Mr. POLIZZI. When I first went to Florida, I wanted to get into something, and I had this property that I wanted to develop, and we began building homes for speculation for sale, and I got this Sparks, who was a contractor, to build them for us.

The CHAIRMAN. That was back in 1943?

Mr. POLIZZI. No, that was in 1945.

The CHAIRMAN. 1945?

Mr. POLIZZI. 1945 or 1946; I don't know which; I think it was 1945?

The CHAIRMAN. Have you sold out your interest in the—liquidated all these vending machines, this vending company, Buckeye Catering?

Mr. POLIZZI. A long time ago, since 1938, Senator.

The CHAIRMAN. But it is still going on, is it not?

Mr. POLIZZI. I don't know.

The CHAIRMAN. Who did you sell your interest to?

Mr. POLIZZI. To the partners of mine—to my partners at the time.

The CHAIRMAN. Weisenburg?

Mr. POLIZZI. There was Weisenburg, and there was Charlie Polizzi, and there was King, and I don't know—

The CHAIRMAN. That is Chuck Polizzi?

Mr. POLIZZI. Yes; I don't know now whether Haas bought any interest, bought any part of that interest or not.

The CHAIRMAN. Which King was in the Buckeye Catering?

Mr. POLIZZI. That was John.

The CHAIRMAN. The same one you were in business with in Florida?

Mr. POLIZZI. That is right.

The CHAIRMAN. All right, Mr. Chairman; that is all.

Senator O'CONOR. All right; that is all.

The CHAIRMAN. Excuse me; Mr. Burling has some questions.

Senator O'CONOR. Mr. Burling?

Mr. BURLING. Mr. Chairman, this will take just a moment. I was a little confused, Mr. Polizzi, between the Mayfield Road gang and the Mafia. You were never accused of having founded the Mafia, were you?

Mr. POLIZZI. Was I ever accused of what?

Mr. BURLING. Having founded the Mafia.

Mr. POLIZZI. Ever founded—

Mr. BURLING. I just want the record to be clear that nobody ever accused you of ever founding the Mafia; is that true?

Mr. POLIZZI. I don't think so. I have been accused of everything else; I don't know.

Mr. BURLING. Well, the Mafia was founded long before you were ever born, I believe; would you agree with that?

Mr. POLIZZI. Look magazine definitely accused me of being in the Mafia.

Mr. BURLING. Oh, yes; I know that has been charged, but nobody has accused you of having founded it. Would you agree with that?

Mr. POLIZZI. Well, certainly nobody has ever accused me of founding the Mafia.

Mr. BURLING. All right.

Now, when did you first hear of the Mafia?

Mr. POLIZZI. When did I first hear of the Mafia?

Mr. BURLING. Yes.

Mr. POLIZZI. Well, it was not of the Mafia I heard of. I heard of the Black Hand in the days when my dad was a blacksmith in the produce district.

Mr. BURLING. But you did hear of the Black Hand?

Mr. POLIZZI. I did. It is common knowledge; everybody knows that. They had a picture out some time ago with Petrizzini or something that was supposed to be Black Hand.

Mr. BURLING. Well, you also have heard of the Mafia, have you not?

Mr. POLIZZI. No; never heard of the Mafia. Never heard of it until I began to read about it.

Mr. BURLING. When did you read about it?

Mr. POLIZZI. Since I have been accused.

Mr. BURLING. When was that?

Mr. POLIZZI. It must be about a year ago.

Mr. BURLING. So that up until a year ago you never heard the word "Mafia"?

Mr. POLIZZI. Did I ever hear? I may have, but I paid no attention to it.

Mr. BURLING. Did you hear it?

Mr. POLIZZI. If I did, I didn't pay any attention to it.

Mr. BURLING. I do not care whether you paid any attention or not. Did you hear the word "Mafia" before a year ago?

Mr. POLIZZI. I can't say that I did or didn't.

Mr. BURLING. You grew up until you were 9 years old in Sicily?

Mr. POLIZZI. I did, sir.

Mr. BURLING. The Sicilian dialect of the Italian language was your native tongue; is that right?

Mr. POLIZZI. If you could speak Sicilian, you could speak better than I could.

Mr. BURLING. I cannot speak Sicilian.

Mr. POLIZZI. I speak a little of it. I mean, enough to understand.

Mr. BURLING. What did you speak until you were 9 years old?

Mr. POLIZZI. Well, I spoke only a few words that I knew as a boy to my mother and father.

Mr. BURLING. What language?

Mr. POLIZZI. In the Sicilian language.

Mr. BURLING. All right; thank you.

What does the word "Mafia" mean in Sicilian?

Mr. POLIZZI. I don't know that.

Mr. BURLING. What does the word "Mafioso" mean in Sicilian?

Mr. POLIZZI. "Mafioso," it means somebody tough.

Mr. BURLING. That is an adjective?

Mr. POLIZZI. That is right.

Mr. BURLING. All right. What does the noun "Mafia" mean in Sicilian?

Mr. POLIZZO. Well, you are asking me something—"Mafioso" is something meaning tough.

Mr. BURLING. We know that. I now want you to tell this committee what the noun "Mafia," referring to an organization, means in Sicilian.

Mr. POLIZZI. "Mafioso" is tough; I would have to guess on what the meaning of "Mafia" is.

Mr. BURLING. You did not hear the word in your home or in talking to other boys?

Mr. POLIZZI. I certainly have not.

Mr. BURLING. Mr. Chairman, I would like to close with the remark that it is apparent that everyone in Sicily well knew what the word "Mafia" means, except those persons who are accused of being members of it. If we take someone who is not ever accused of being a member, the word is a household word in the Sicilian dialect.

The CHAIRMAN. I suppose "Mafioso" means tough, and "Mafia" would mean tough gang.

Mr. BURLING. That is my understanding.

The CHAIRMAN. Well, it is the Mayfield Road gang that they were accusing you of founding, is that what you were talking about?

Mr. POLIZZI. Yes.

The CHAIRMAN. Not the Mafia?

Mr. POLIZZI. Yes.

Senator O'CONNOR. Counsel, did you desire to say something?

Mr. WHITAKER. May I make just one statement? In fairness to Mr. Polizzi, he has denied in Cleveland also repeated here under oath, that he has belonged to—he has repeated that he is not a member of and knows nothing about that organization.

Look magazine has published an article in which it named people—in which they published that he was a director and a member of the Mafia organization and gave the source of that information, naming the people.

I think the committee should summon them before the committee and ask them for that information, showing that Mr. Polizzi is a member of the Mafia organization.

Mr. BURLING. I, of course, cannot testify as to my knowledge as to whether this man is or is not a member, but I think an appropriate comment on fact is that he has testified under oath that although he grew up in Sicily that he never heard of an organization, which every Sicilian boy, at least, heard of, whether or not he is a member.

The CHAIRMAN. Well, Mr. Chairman, I do not think it is the province of this committee to prove or disprove what somebody else has to say about somebody. If we go through all the magazines and books and take up the business of proving and disproving allegations that are made, we would be at this a long, long time, I am afraid.

Mr. WHITAKER. Thank you, Mr. Chairman.

The CHAIRMAN. So I do think, Mr. Chairman, I should say that so far as Mr. Polizzi is concerned, that I am glad that Mr. Polizzi came here and testified; that he has tried apparently to answer most of the questions. His answer is not satisfactory—I think we will all observe with a great deal of interest as to whether on the second try he is going to get out of business with these people who have known records, reputations, whether he is going to continue to add to his acquaintanceship with people who are liable to get him in trouble again.

I am afraid Mr. Polizzi is not making too good a start in disassociating himself with some people with whom he did business a long time ago, and they, at least, continue to be under some questioning somehow. That is just my view about it.

Senator O'CONOR. All right. Counsel, I think there is another question or two you wish to ask?

Mr. NELLIS. One last question, Mr. Chairman.

Do you recall testifying in Cleveland, Mr. Polizzi, that when you went to Florida the first time you took with you approximately \$300,000 or \$350,000, is that right?

Mr. POLIZZI. I said approximately \$300,000.

Mr. NELLIS. Approximately is what I said. Could you give us an estimate of what percentage of that capital was attained by you in illegal ventures? What percentage of that money was attained by you in criminal ventures? I am talking about from the beginning, run-running, clear up through the slot machines and everything else you had a finger in.

Mr. POLIZZI. I know I made over \$200,000 alone in the liquidation of the brewery, so that would be \$200,000 that didn't have any illegal earning; I made some long-term gains on stocks and real estate. I have got to kind of go back now.

Mr. NELLIS. Well, roughly.

Mr. POLIZZI. And I figure that—I really don't know. I don't suppose that more than \$50,000, \$60,000 of that money ever was from illegitimate sources.

The CHAIRMAN. Of course, Mr. Polizzi, I assume that most of the money you have made in the brewery must have come from your run-running and bootlegging and slot machines.

Mr. POLIZZI. Senator, that money, most of it, of course, if you said the Leubeck Distributing Co., I would say you were right. I am only trying to be fair.

In the brewery I had made some money in the distribnting company.

Mr. NELLIS. You got your start in big business by using funds that you obtained in illegal ventures, is that right?

Mr. POLIZZI. Well; I made whatever money I made illegitimately I tried to use legitimately and I thought I was doing right.

Mr. NELLIS. In other words, you did use the money that you made illegitimately for legitimate ventures.

Mr. POLIZZI. I certainly tried to help myself not to continue in any illegitimate business, but in a legitimate business, which I know is the proper thing for me to be in, and I am happy to be away from the illegitimate.

Senator O'CONOR. The Chair interprets your answer to be that you used the results of the illegitimate enterprises in legitimate business.

Mr. NELLIS. That is the part I wanted for the record.

Mr. POLIZZI. That is right.

Senator O'CONOR. All right.

Let us come to order. Inasmuch as the hour of 12 has struck, the Senate is in session. It is necessary for us now to take a recess, and permission will be asked of the Senate to permit our holding a hearing this afternoon and for that purpose we will now stand in recess until 2 p. m.

(Whereupon, at 12:05 p. m., the committee adjourned, to reconvene at 2 p. m., of the same day.)

AFTERNOON SESSION

(The testimony of Harry Stromberg and William Weisberg, of Philadelphia, Pa., which was heard by the committee in the afternoon session, is included in part 11 of the hearings of the committee.)

APPENDIX

EXHIBIT No. 29

DEPARTMENT OF POLICE—CLEVELAND, OHIO

SCIENTIFIC IDENTIFICATION BUREAU

JUNE 6, 1950.

The following is a transcript of the record, as far as known, including the most recently reported data, as shown in the files of this bureau, concerning: John Angersola. Cleveland No. 20240; FBI 98146. Compiled by Marjorie Cohen.

Contributor	Name and number	Date	Charge	Disposition
P'D, Cleveland, Ohio.....	John Angersola.....	Aug. 17, 1920	Fugitive. Wanted at Beaver Falls, Pa.	Turned over to Beaver Falls, Pa.
P'D, Cleveland, Ohio.....	John Angersola.....	Sept. 17, 1920	Robbery. Robbed Harry Yarnisk, 918 E. 75 St. of \$400.00 driver for Wilson & Co. at Mayfield Rd.	Apr. 13, 1921, OS Pen. on Robbery.
P'D, Cleveland, Ohio.....	John Angersola.....	Sept. 25, 1920	Viol. Auto Law & CCW (2 cases). At 1:00AM, Sept. 25, 1920, operated a Packard Auto the prop. of Tom Greive, 2550 Jay Ave., without his consent. Also had concealed on his person a .32 cal. revolver while in the above auto.	Apr. 15, 1921, OS Pen. on CCW.
P'D, Cleveland, Ohio.....	John Angersola.....	Jan. 7, 1921	Susp. Person. Held in connection with the Sly-Fanner Murder Dec. 31, 1920.	Sept. 25, 1920, Auto Law. Noll'd.
P'D, Cleveland, Ohio.....	John Angersola.....	Feb. 2, 1921	Common Pleas Capias. Wanted by SO Cuy. Co. on Capias orig. eug. Robbery.	Noll'd.
OSP, Columbus, Ohio.....	#49512.....	May 3, 1921	Robbery Indet.	Turned over to Sheriff.
Detroit, Mich.....	John DeMarco, #29925.....	Dec. 31, 1926	Robbery. Arr. with Theo. Hodges.	Feb. 15, 1923, Paroled.
P'D, Cleveland, Ohio.....	John Angersola.....	Oct. 16, 1927	Susp. Person Gen. Prine	Discharged.
P'D, Cleveland, Ohio.....	John Angersola.....	June 4, 1928	Susp. Person	Noll'd.
P'D, Cleveland, Ohio.....	John Angersola.....	Apr. 3, 1929	Viol. Nat'l Prob. Act. Had 13 bottles of gin in his Lincoln Coupe at E Park Dr. and Nef Rd. picked up at about 11:00PM. Apr. 2, 1929 supposed to be waiting for a boat to come in loaded with liquor.	No Papers. Turned over to Fed. Auth.
Columbus, Ohio.....	John King, #1847.....	Oct. 4, 1929	Invest.	Released on Habeas Corpus.
Detroit, Mich.....	John DeMarco, #29025.....	Dec. 31, 1926	Robbery.	Disp. not given.
P'D, Cleveland, Ohio.....	John King.....	July 24, 1930	Traff. Ord. Failed to make a Blvd. Stop at E. 79th St. and Lexington Ave.	Fined \$5.00 and Costs.
Toledo, Ohio.....	John Angersola, #23560.....	Nov. 23, 1931	Susp.	Released.
P'D, Cleveland, Ohio.....	John Angersola.....	Mar. 25, 1932	Susp. Person	Discharged.
Miami Beach, Fla.....	John King, #CR 27.....	Dec. 11, 1936	C. R. Voluntary	Released.

As John Angersola arraigned before Grand Jury of Cuy. Co. on Oct. 13, 1939, on Indictment (Blackmail Sec. 13384). July 24, 1942, Dir. Verd. Not Guilty—Discharged.

GEO. J. MATOWITZ, Chief of Police.

EXHIBIT No. 30

DEPARTMENT OF POLICE—CLEVELAND, OHIO

SCIENTIFIC IDENTIFICATION BUREAU

JUNE 6, 1950.

The following is a transcript of the record, as far as known, including the most recently reported data, as shown in the files of this bureau, concerning: George J. Angersola. Cleveland No. 36152; FBI 566579. Compiled by Marjorie Cohen.

Contributor	Name and number	Date	Charge	Disposition
Detroit, Mich.	Geo. King, #28452	Oct. 24, 1926	Robbery	Fined \$150.00 and 4 mos.
U.S.M., Cleveland, Ohio	Geo. King	Mar. 15, 1928	Natl. Prob. Act.	Released.
P.D., Cleveland, Ohio	Geo. J. Angersola	July 31, 1930	Invest.	Discharged.
P.D., Cleveland, Ohio	Geo. Angersola	Mar. 23, 1932	SF, Gen. Princ.	Discharged.
P.D., Cleveland, Ohio	Geo. Angersola	Aug. 25, 1932	Susp. Person, Gen. Princ.	Discharged.
P.D., Cleveland, Ohio	Geo. Angersola	Apr. 11, 1933	Susp. Person	Aug. 10, 1942, Verd. guilty
S.O., Cleveland, Ohio	Geo. Angersola, #172	Oct. 9, 1939	Extortion	sent OS Pen. Sent. Susp.
				Prob. 2 yrs. after paying
				\$500.00 and cost and serving
				90 days in Co. Jail.
				Released.
P.D., Cleveland, Ohio	Geo. King	Sept. 1, 1948	Invest.	

GEO. J. MATOWITZ, *Chief of Police.*

EXHIBIT No. 31

Name.—Louis Rothkopf.

Also known as.—Lou Rhody, John Zarumba.

Residence.—Fenway Apartment Hotel.

Area of operations.—Cleveland, Los Angeles.

Criminal record.—

Place: Cleveland.

Name and number: Louis Rothkopf.

Date: 1937.

Charge: Internal revenue laws.

Disposition: 4 years (11-5/12 I).

Associates.—Mickey Cohen, Tony Milano, Hal Smiley, Jack Dragna.

Activities and general information.—Louis Rothkopf is reported to have been arrested several times in Cleveland for robbery and murder. He and Morris Kleinman were partners in the operation of a gambling club near Cleveland. When in California his associates are Mickey Cohen, Tony Milano, Hal Smiley, and Jack Dragna (11-5/12 I).

EXHIBIT No. 32

Name.—Morris Kleinman.

Area of operations.—Cleveland, Las Vegas.

Criminal record.—

Place: Cleveland.

Name and number: Morris Kleinman.

Date: 1933.

Charge: Income tax evasion.

Disposition: 3-year sentence.

Associates.—Morris Dalitz, Sam Tucker, Frank Costello, Joe Adonis, Jerry Catena, Art Samish, John Grosch, Phil Kastel.

Activities and general information.—Morris Kleinman was reportedly engaged in rum running during the prohibition era. He was said to be the No. 1 suspect during an investigation of the murder of a Cleveland city councilman in the 1930's. Kleinman, Morris Dalitz, and Sam Tucker are the principal owners of the Desert Inn, Las Vegas, a resort-type hotel with a large gambling casino (46-5/24). He is reputed to be a top man in gambling circles having a financial interest in the Latin Quarter, Lookout House, and Beverly Hills Clubs in Cincinnati, Covington, and Newport areas (57-5/8-P).

It is reported that Moe Kleinman makes periodic trips to Hot Springs and his trips there usually coincide with those of the following persons: Frank Costello, of New York; Joe Adonis, of New York; Jerry Catena, of New Jersey; Art Samish, of California; John Grosch, sheriff at New Orleans; and Phil Kastel, of New Orleans. It is said that these get-togethers are something in the nature of policy meetings (10-5/3).

EXHIBIT No. 35

DEPARTMENT OF POLICE—CLEVELAND, OHIO

SCIENTIFIC IDENTIFICATION BUREAU

FEBRUARY 26, 1951.

The following is a transcript of the record, as far as known, including the most recently reported data, as shown in the files of this bureau, concerning: Tony Milano. Cleveland No. 11100; FBI ——. Compiled by Marjorie Cohen.

Contributor	Name and number	Date	Charge	Disposition
PD, Cleveland, Ohio-----	Tony Milano----	Sept. 29, 1912	Cft. Counterfeiting.	6 yrs., Leavenworth, Kans.
PD, Cleveland, Ohio-----	-----	Apr. 4, 1912	SP-----	Nolled.
Canton, Ohio-----	#1810-----	Aug. 26, 1920	SP-----	Released.

GEO. J. MATOWITZ, *Chief of Police.*

EXHIBIT No. 37

WIRE SERVICE

CONTINENTAL PRESS
E. Mc BRIDE - T. KELLY
CHICAGO, ILL.

EMPIRE SERVICE CO.
MORRIS "MUSHY" WEXLER
1945 EAST NINTH ST.
CLEVELAND, OHIO

J. E. EDWARDS
502 ADAMS ST.
STEUBENVILLE, OHIO

WU. 1 TICKER CIRCUIT -
874 MILES
68 DROPS

PERIODICAL DISTRIBUTORS
ACE RESEARCH SERVICE
NEWPORT, KY. CINCINNATI, O.

WU. 7 MORSE CIRCUITS
22 MILES
27 DROPS

WILLIAM KIRKLAND
414 NINTH CHESTER BLDG.
CLEVELAND, OHIO

WU. 1 UNEQUIPPED CIRCUIT
118 MILES
49 DROPS

CROWLEY PUBLISHING
P.O. BOX 986
STEUBENVILLE, OHIO

WU. 1 TICKER CIRCUIT
565 MILES
33 DROPS

NEWPORT, KY.
COVINGTON, KY.
ELMWOOD PLACE, O.
FLORENCE, KY.
LUDLOW, KY.
DAYTON, KY.
CINCINNATI, O.
BELLEVUE, KY.
ST. BERNARD, O.
CLARKSBURG, KY.
FAIRFAX, O.
NORWOOD, O.
ROSMOYNE, O.
READING, O.
CHEVLOT, O.
CLINTON, O.
DEER PARK, O.
DELHI TOWNSHIP, O.
SHARONVILLE, O.
HAM COUNTY, O.
MOUNT HEALTHY, O.
ARLINGTON HEIGHTS, O.
NORTH COLLEGE HILL, O.

BROWNSVILLE, PA.
ALTOONA, PA.
BRIDGEPORT, O.
CLARKSBURG, KY.
CLARKSBURG, W. VA.
CONEMAUGH, PA.
EAST LEBANON, PA.
FAIRVIEW, O.
WILLIAMSON, PA.
MARTINS FERRY, O.
MORGANTOWN, W. VA.
PARKERSBURG, W. VA.
STEUBENVILLE, O.
WESTON, W. VA.
BELLARE, O.
CHARLESTOWN, W. VA.
EAST LIVERPOOL, O.
GREENSBURG, PA.
NEW KENSINGTON, PA.
WILKESBURG, PA.
WELCH, W. VA.
WHEELING, W. VA.
BLUEFIELD, W. VA.

AKRON, O.
BARBERTON, O.
CHILLICOTHE, O.
CUYAHOGA FALLS, O.
FRANKLIN, O.
LANCASTER, O.
LORAIN, O.
MADISON, O.
CANTON, O.
CINCINNATI, O.
EAST ALLIANCE, O.
GENOA, OHIO
LIMA, O.
MARIETTA, O.
BRIDGE, O.
BRADY LAKE, O.
COLUMBUS, O.
FOSTORIA, O.
GROVE CITY, O.
LONDON, O.
MADISON, O.
MASBURY, O.
NILES, O.
PORTSMOUTH, O.
SANOUSKY, O.
STRUTHERS, O.
TOLLEDO, O.
URBANA, O.
WASHINGTON CT, O.
WICKLIFFE, O.
WILLOUGHBY, O.
ZANESVILLE, O.
FRANKLIN, O.
MILWAUKEE, O.
MILVERTON, O.
PORT CLINTON, O.
SPRINGFIELD, O.
YOUNGSTOWN, O.
LAWRENCEBURG, IND.
NEWARK, O.
SALEM, O.
STOW, O.
TROY, O.
XENIA, O.
MIAMI SBURG, O.

EXHIBIT No. 50

GIESEY & SAUERS,
Cleveland, Ohio, April 19, 1949.

Mr. SAMUEL SCHRAEDER,
In care of Beverly Hills Country Club, Alexandria Pike, Newport, Ky.

DEAR MR. SCHRAEDER: Enclosed please find the first quarter payroll reports in 1949 for Union Enterprise Co. and following are the amounts you are to pay:

Social-security tax-----	\$106.75
Unemployment insurance-----	None
Withholding tax-----	Overpaid
Total-----	44.30

Will you please see that a check for the balance of social-security tax is attached to the reports, and will you also please see that each report is signed and mailed to the collector prior to April 30, 1949.

Regarding the overpayment of \$44.30 on withholding tax: Will you please instruct the person handling the payrolls for the second quarter of this year to deduct this \$44.30 from the amount of withholding money deposited and collected from the employees.

Thanks.

Very truly yours,

A. E. GIESEY.

SAM: Am sending this to you to see that the right person gets it, inasmuch as everything is presumed closed at Ohio.

A. G.

EXHIBIT No. 52

AFFIDAVIT OF LEON SCHIFF

STATE OF OHIO,

County of Hamilton, ss:

Leon Schiff, M. D., being first duly cautioned and sworn, states that he has under his care at the Jewish Hospital at Cincinnati, Ohio, a patient, named Sam Schraeder. Said patient has been entered at said hospital beginning on or about December 30, 1950, and has been under the constant care of affiant.

Affiant states that he has been treating said patient for ulcerative colitis, and that while said patient is receiving active treatment for said purpose, in the opinion of affiant, it would be detrimental to the health of said patient to leave the hospital at this time. Affiant cannot predict any definite date for said patient's discharge from the hospital at this time.

Further affiant saith naught.

LEON SCHIFF, M. D.

Sworn to before me and subscribed in my presence this 17th day of January 1951.

[SEAL]

SOL. GOODMAN,

Notary Public, Hamilton County, Ohio.

EXHIBIT No. 53

WARREN, OHIO, January 17, 1951.

To Whom It May Concern:

This is to certify that Sheriff Ralph Milliken, of Warren, Ohio, suffers from severe angina pectoris, due to chronic insufficiency of the coronary arteries. He has been a patient of mine with this disease since April 9, 1947. Any exertion or emotional disturbance will induce a severe attack. On several occasions during this period of time he has been confined to bed for as long as 6 weeks because of the severity and chronicity of the attacks. His electrocardiographs have shown deterioration over this period.

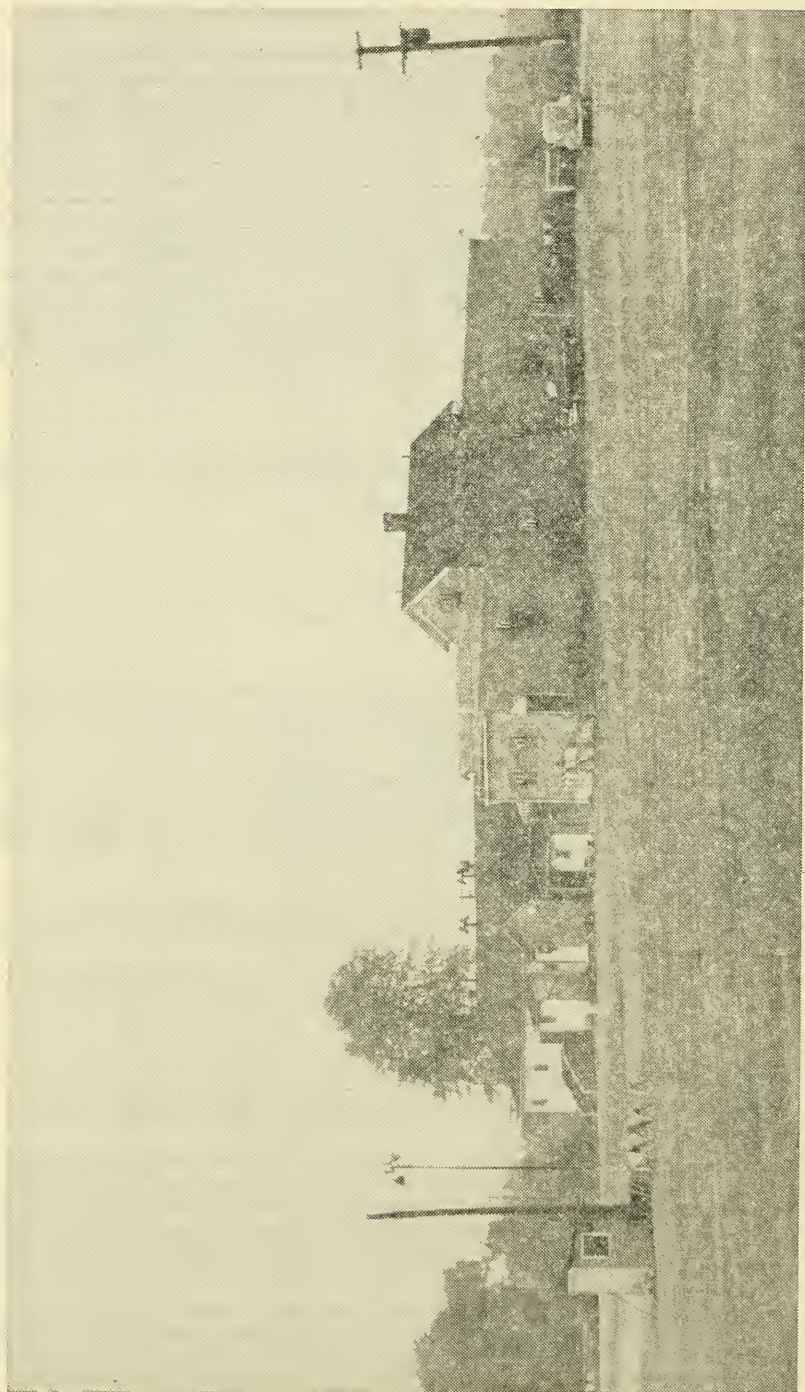
Last night Mr. Milliken suffered a sever attack which required large doses of morphine to quiet. He is being admitted to Trumbull Memorial Hospital today to determine whether or not he has had an occlusion of the coronary arteries.

It is absolutely impossible for him to leave Warren at this time to testify.

Sincerely,

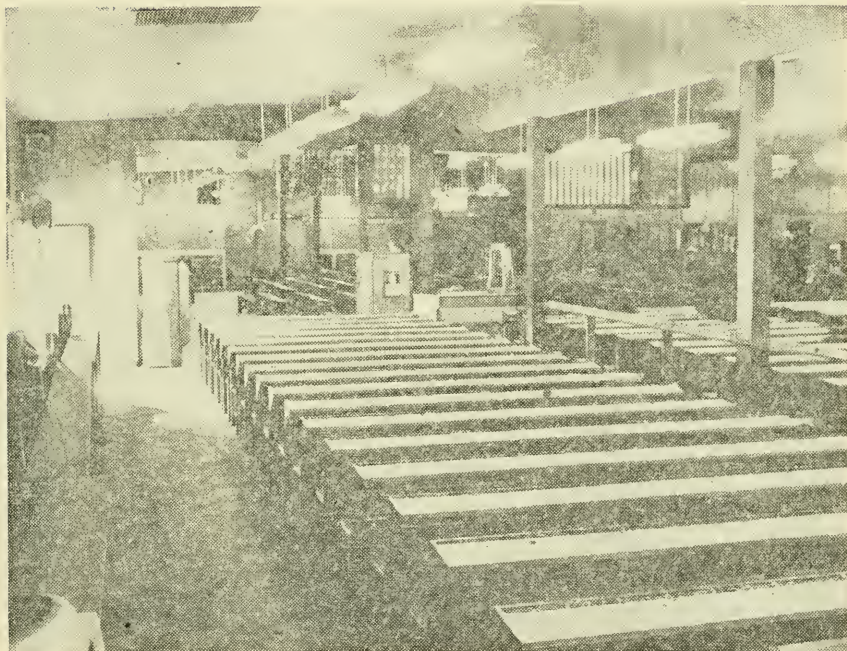
JOHN R. MCKAY, M. D.

EXHIBIT No. 54



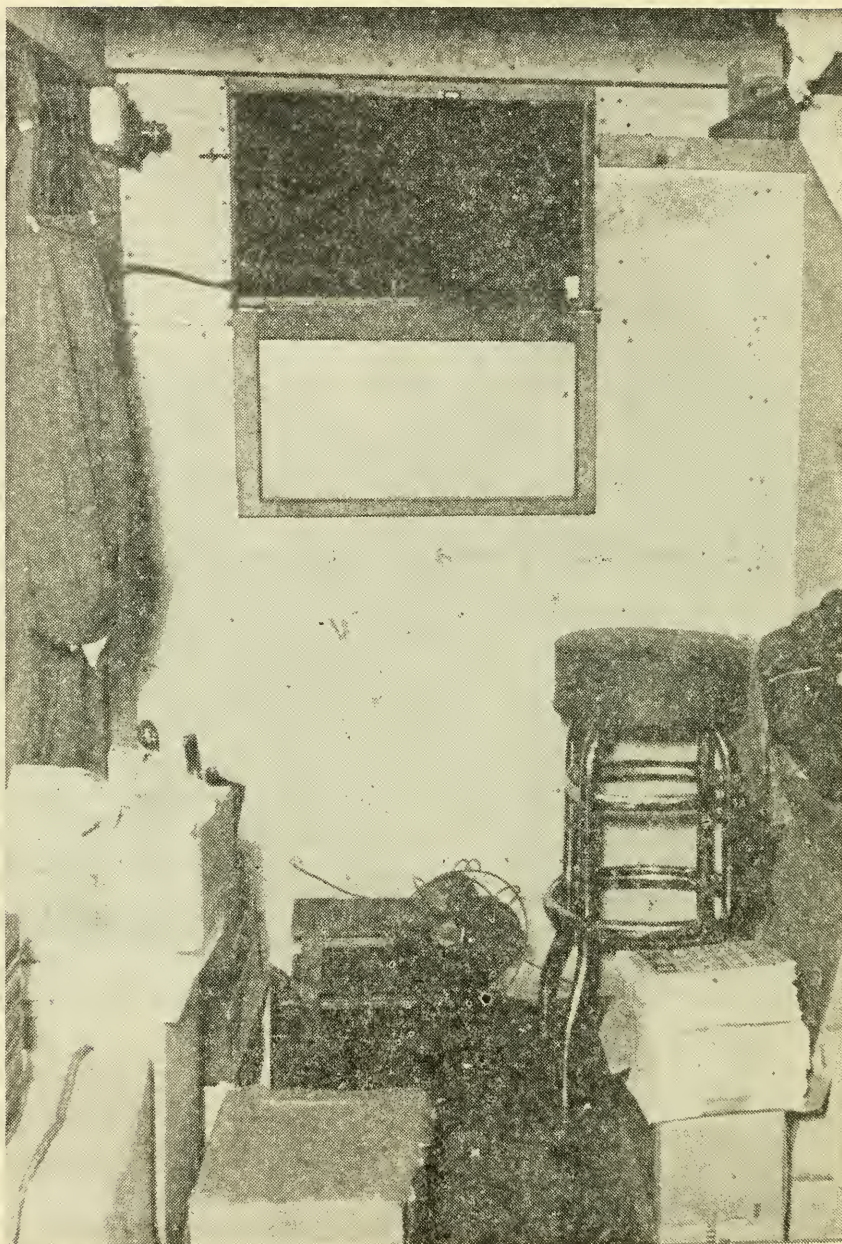
JUNGLE INN

EXHIBIT No. 55



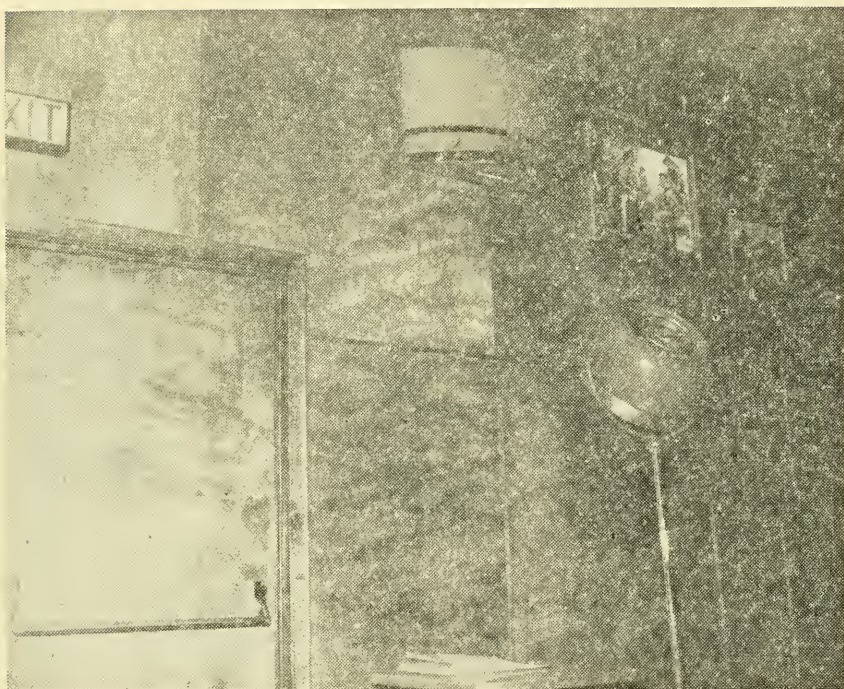
GAMBLING ROOM AT JUNGLE INN

EXHIBIT No. 56



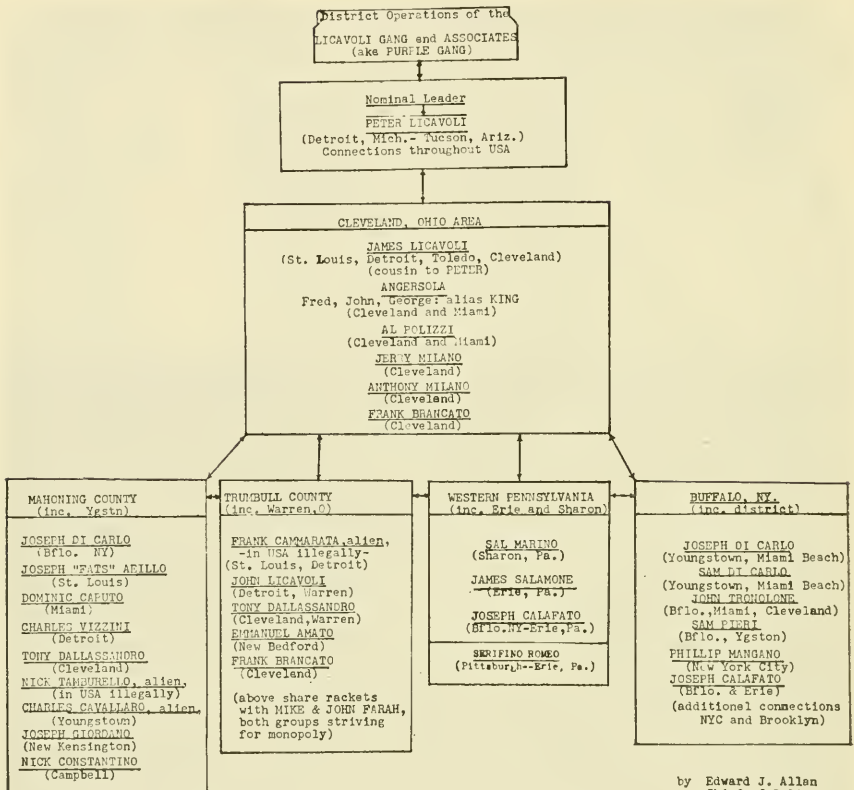
INTERIOR OF GUN TURRET AT JUNGLE INN

EXHIBIT No. 58



JUNGLE INN INTERIOR, SHOWING GUN TURRET

EXHIBIT No. 61



by Edward J. Allen
Chief of Police
Youngstown, Ohio
January 1951

EXHIBIT No. 65

FEBRUARY 21, 1951.

GEORGE B. TIMINEX,
Sheriff, Lucas County, Toledo, Ohio:

Re your testimony before committee, Cleveland, Ohio, January 18, please furnish immediately your financial records.

ESTES KEFAUVER,
Chairman, Special Senate Committee To Investigate Organized Crime
in Interstate Commerce.

TOLEDO, OHIO, February 22, 1951.

ESTES KEFAUVER,
Chairman, Special Committee To Investigate Organized Crime in Inter-
state Commerce, United States Senate, Washington, D. C.:

I have not been able to find the records you requested me to send you at Cleveland on January 18. They were used in working up my income-tax return for year 1949 and must have been thrown away after return was filed.

GEORGE B. TIMINEX,
Sheriff, Lucas County, Toledo, Ohio.

EXHIBIT No. 66

CITY OF TOLEDO, OHIO

DEPARTMENT OF PUBLIC SAFETY—DIVISION OF POLICE—BUREAU OF IDENTIFICATION

MARCH 5, 1917.

No.: 6792

Name: Scott, Neufio. Sex: Male. Color: White.

FPC: 13	R	00	10
18	U	00	13

March 4, 1917: As Neufio Scott Arrested PD, Toledo, Ohio, at 1:30 A. M. by Officers Det. Rydman & Etal & Det. Eaton on charge of Suspicion (Auto). Arrested with Carlo, M. #6789, Carlo, F. #6790, Belline #6791, and Scott #6792, Russo #6793, Rossi #6794, Gamalafo #6795, Domenio #6796, Fusco #6797, and Paolino #6798. Attempted hold-up of Saloon at corner of Hamilton and City Park during which the owner, Mr. Emil J. Ulrich, was shot and killed.

March 5, 1917: Released by Insp. Wm. Delahanty.

May 24, 1918: As Tony Scott Arrested PD, Toledo, Ohio, by Det. Sahoff and Det. Connors on charge of Taking Auto without consent of owner. This machine was personal property of The Ohio Awning and Tent Co., corner Jackson and 11th, where Scott was employed.

May 25, 1918: Released on bail by Clerk Krieger; case cont. till 29th.

May 29, 1918: Marked Off Docket in Municipal Court on payment of Costs of Court.

September 29, 1920: As Tony Paul Arrested PD, Toledo, Ohio, with William C. Duck #6876, James F. Duck #6962, and Robert Squartino #10332, by Det. Connors and Martin on charge of Suspicion.

October 1, 1920: Released.

November 5, 1920: As Tony Paul arrested PD, Toledo, Ohio, at 1:30 P. M., with Lee Weagley #9118, by Det. Carroll and Timiney on charge of Grand Larceny on complaint of C. T. Hanson of the Irving B. Hiett Co. Charge that on same date arrested them in possession of his Buick Touring Car, which was stolen on same date from in front of #621 Madison Ave. Car valued at \$1,200.00.

November 10, 1920: Held to the Grand Jury under \$1,500.00 Bond by Judge Austin.

December 3, 1920: Indictment #12155 for Larceny filed.

April 18, 1921: Plead "Not Guilty" before Judge Ritchie.

April 19, 1921: On Trial and found "Not Guilty" by Jury before Judge Ritchie.

April 5, 1921: As Tony Paul Arrested PD, Toledo, Ohio, at 2:30 A. M., by Officer Coffey on charge of Suspicion.

April 5, 1921: Released by Inspector of Detectives Leutz.

May 1, 1921: As Tony Paul Arrested PD, Toledo, Ohio, at 7:05 A. M., with Stacy Roberts #3660, Jake Case alias John Case #8014, Lee Weagley #9118, Richard Gosser #10067, and James Kennedy alias Edward Kelly #10461, by Det. Henahan and Raftz and Julert on charge of Fugitive from Justice, charged that on May 1st, 1921, they held up and Robbed George Karmel and three others in a touring car on the Dixie Highway near Erie, Mich.

May-5-21: Turned Over to Sheriff Frank J. Gessner of Monroe, Mich.

June-4-21: Held to Circuit Court by Judge Wm. J. Danz of Monroe, Mich.

June-6-21: Plead "Guilty" before Judge Jesse H. Root.

June-6-21: Sentenced to Michigan Reft'y at Ionia, Mich., to serve term of 1½ to 15 yrs. by Judge Jesse H. Root.

June-16-21: As Tony Paul #693 Received at Michigan State Reft'y at Ionia, Mich., from Monroe County for Highway Robbery under sentence of 1½ to 15 yrs.

December-15-22: First Parole Granted.

March-1-26: Final Discharge Granted.

June-18-24: Arrested at Toledo, Ohio, at 8:25 P. M. by Det. Harris on charge of Suspicion (ran over a little boy on Lucas St. and Killed Him).

June-19-24: Released by Coroner Henzler.

February-24-44: Indictment #26181 filed for Keeping Room for Gambling and Exhibiting Gambling Devices for Gain (With Benj. Aronoff #C-38296).

April-10-44: On trial and Pled Guilty before Judge J. Fess.

April-24-44: Defendants pleaded Guilty to County 1, 3, 5, 8, 10, 11, and 12. Nollied as to Counts 2, 4, 6, 7 and 9.

April-24-44: Sentenced to Toledo House of Correction for 30 Days and an additional 180 Days, but imposition of said 180 Days suspended and each deff. Probated to Mrs. Isabel Herringshaw (Prob. Officer) for 1 year during good behavior and each to pay a fine of \$200 on each count or a total of \$1,400 and costs.

PAUL T. FAKEHANY,
Superintendent, Ident. & Records.

Sworn to and subscribed in my presence this 21st day of February 1951.

[SEAL]

LAURA MCBRIDE, *Notary.*

Commission expires October 16, 1951.

EXHIBIT No. 67

Report of achievement, 1941-48

Traffic:

Total number traffic accidents covered-----	5, 128
Total number fatal injuries-----	233
Total number nonfatal accidents-----	2, 969
Number of miles covered by school-bus patrol-----	59, 509
Number of miles covered by scout cars on complaints and arrests (there are 1,065 miles of road in Lucas County)-----	1, 469, 132

Crime:

Number of robberies-----percent--	<i>Cleared</i> 87
Number of burglaries-----do----	80
Number of homicides-----do-----	100

Handling of prisoners:

Transportation of prisoners to Ohio State Penitentiary, Ohio, Reformatory, Boys' Industrial School, Girls' Industrial School, Women's Reformatory, Lima State Hospital for Criminal Insane, Ohio Hospital for Epileptics, Ohio State Hospital for Feeble-Minded, Toledo State Hospital, Veterans' hospitals in Dayton, Chillicothe, Cleveland, Ohio, and Battle Creek, Mich., and returns of prisoners for prosecutor: Total miles driven-----	290, 368
--	----------

Number State prisoners received in county jail-----	16, 076
Number Federal prisoners received in county jail-----	1, 728

Total-----	17, 804
Number of meals served to prisoners-----	1, 070, 099
Total number of prisoners probated to sheriff-----	1, 334

Legal service:

Number of warrants served-----	12, 510
Number of executions on property-----	2, 981
Number of subpoenas served-----	45, 210
Number of summonses served-----	79, 501

Civil branch procedure:

Number of sales of property-----	1, 325
Total amount of sales of property-----	\$3, 913, 235. 67
Total amount of fees received from sales-----	\$136, 564. 19
Total amount delinquent taxes collected and sent to treasurer--	\$831, 179. 28

EXHIBIT No. 69

DEPARTMENT OF POLICE—CLEVELAND, OHIO

SCIENTIFIC IDENTIFICATION BUREAU

JANUARY 14, 1951.

The following is a transcript of the record, as far as known, including the most recently reported data, as shown in the files of this bureau, concerning: Alfred Polizzi, alias Albert Polizzi, Albert Allen. Cleveland No. 32332; FBI 118357. Compiled by William J. Brady, No. 301.

Contributor	Name and number	Date	Charge	Disposition
P.D., Cleveland, Ohio	Albert Allen, #20443	Oct. 22, 1920	Robbery 4 cases. Held up and robbed at the point of a revolver at 6:15 A.M., Oct. 10, 1920, in room 1032 Hollenden Hotel, Louis November, Jackson Miller, Edwin Horn and Robert Cruthers, of cash \$1,244.00 and a diamond ring valued \$2,000.00 (while in card game).	No Bill in 4 cases, Dec. 3, 1920.
P.D., Cleveland, Ohio	Albert Allen, #20443	Dec. 11, 1921	Susp. Person. Taken out of 5105 Euclid Ave.	Discharged.
U.S.M., Cleveland, Ohio	Alfred Polizzi, #32332	Mar. 24, 1926	Nat. Prob. Act.	6 months and fined \$1,000.00.
P.D., Cleveland, Ohio	Albert Polizzi, #32332	June 15, 1927	Susp. Person. Held in connection with murder of Hynan Weisenberg.	Nolled.
P.D., Cleveland, Ohio	Alfred Polizzi, #32332	Sept. 22, 1928	Susp. Person (Gen. Prin.)	Nolled Oct. 23, 1928, Judge Sawicki.
P.D., Cleveland, Ohio	Alfred Polizzi, #32332	Mar. 25, 1932	Susp. Person (Gen. Prin.)	Discharged Apr. 28, 1932.
P.D., Detroit, Mich.	Alfred Polizzi, #49456	Apr. 22, 1935	Fugitive, Cleveland, Ohio	Not wanted at Cleveland. Disch. on Writ.

Last known address 1576 Oakmount Grove, South Euclid, Ohio, in 1945.

EXHIBIT No. 70

PRISONER'S CRIMINAL RECORD, DEPARTMENT OF POLICE—BUFFALO, N. Y.

IDENTIFICATION BUREAU

Number of picture in gallery.—14592.

Name.—Joseph DiCarlo, alias The Wolf, 73 Deerhurst Park, Kenmore, N. Y.

Address.—790 Seventh Street, Buffalo, N. Y.

Born.—11-8-99.

Criminal record (as far as known)

	Date	Charge and disposition
Arrested, Buffalo, N. Y.	June 24, 1920	Vio. Sec. 374-283, Motor Vehicle Law. Sentence Suspended.
	July 10, 1920	Assault 1st deg. Discharged.
	July 3, 1921	Vio. 60-14-1 City Ord. (reckless driving). Fined \$35.00.
	Dec. 21, 1921	Vio. 34-11 & 47-20 City Ord. Fined \$10.00.
	Nov. 20, 1922	Vio. 60-23 C. O. (traffic vio.). Fined \$5.00.
	Apr. 16, 1923	Vio. 60-14-1 C. O. (reckless driving). \$5.00 fine.
	Aug. 22, 1923	Vio Harrison Narcotic Act. No disp.
	Jan. 2, 1924	Asslt. 1st. deg. & Vio. 135 & 136 U. S. Crim. Code. Sentenced to 6 Years Atlanta Prison & \$5,000.00 fine by Judge Morris. Case appealed Feb. 12, 1924. Finally received at Atlanta Prison Apr. 16, 1925, transferred to U. S. Industrial Refty. at Chillicothe, Ohio, on July 23, 1926. Paroled on Oct. 19, 1928; exp. date Sept. 27, 1929.
	Aug. 27, 1924	Vio. 60-24-4 C. O. (improper lights on auto). Fined \$5.00.
	May 27, 1930	Vio. 887-1 Crim. Code Procedure (vag.) Disch.
	June 23, 1931	Vio. 887-1 Crim. Code Procedure (vag.) Disch.
	Sept. 26, 1931	Vio. 887-1 Crim. Code Procedure (vag.) Disch.
	Dec. 2, 1931	Vio. 752-2 Penal Law (Illegal registering for Election). Acquitted.
	June 2, 1935	Vio. 722-11 P. L. (dis. Cond.-consorting). Disch.
	Sept. 12, 1923	Vio. 60-20-6 C. O. (traffic vio.). Fined \$5.00.
	Nov. 23, 1935	Vio. 60-14-3 C. O. (speeding). Sent. Suspended.
Arrested, Cleveland, Ohio....	Jan. 15, 1936	Investigation. No disp.
Arrested, Buffalo, N. Y.	July 30, 1936	Asslt. 2nd deg. Turned over to PD Cheektowaga, N. Y..
	Aug. 28, 1936	Vio. 60-23-3 C. O. (traffic vio.). Fined \$1.00.
	Sept. 23, 1936	Asslt. 2nd deg. (Bench Warrant on arrest of July 30, 1936). Discharged.
Arrested, Miami Beach, Fla.	Feb. 6, 1937	Crim. Reg. (Vol.). Released.
Arrested, Buffalo, N. Y.	Feb. 14, 1938	Vio. 530 P. L. (Coercion). 1 Year, Erie County Penty. & \$500.00 fine.
	May 30, 1939	Vio. Chap. 9, secs. 5-8-24, City Ord. (intox. profanity & resisting). Fined \$10.00.
	May 31, 1940	Extortion & Conspiracy. 1 Year Erie Co. Penty. & \$500.00 fine on June 10, 1940.
	Sept. 12, 1942	Material Witness. Released.
	May 1, 1943	Vio. 986 Penal Law (accepting bets on horse races). Fined \$50.00.
	May 6, 1944	Vio. 986 P. L. Discharged.
	Mar. 12, 1945	Vio: 580 P. L. (Conspiracy) 1841 & 1857 P. L. Indicted on 5 counts. 1 Year, Erie County Penty. on 1st count—6 Mos. on 4th count & \$500.00 fine on counts 1, 2, 5; Judge Hinkley. Received at Erie Co. Penty. Apr. 27, 1945, released on Jan. 10, 1946.

EXHIBIT No. 72

CLEVELAND, November 6, 1950.

HON. ESTES KEFAUVER,

*Chairman of Committee of the United States Senate To Investigate
Interstate Criminal Activities.*

Senate Office Building, Washington, D. C.

DEAR SENATOR KEFAUVER: The transcript of the proceedings conducted by your committee at Miami, Fla., on July 13, 14, and 15, 1950, quotes you as saying in your preliminary remarks that—

"The committee does not wish to do any innocent citizens any harm. If inadvertently any harm is done, we want to rectify it as quickly as possible. * * * in any person whose name is used * * * feels that he has been maligned or unjustly accused * * * or if they want to charge that any statement that has been made is untrue * * * if they make application to the committee or to

our staff and give them an opportunity to make any explanation or to refute any charges that have been made, they can feel at perfect liberty to get in touch with any of us about it."

As one innocent citizen who has been seriously harmed by the completely unfounded testimony relating to me given by Mr. Daniel P. Sullivan, I avail myself of your invitation and urgently request that your committee take immediate steps to correct the transcript and I hereby offer to appear before your committee and to present evidence under oath that will completely refute the charges and innuendoes made about me.

To lay a foundation for the fairness of my request I shall summarize briefly the testimony of Mr. Sullivan relating to me, how it has been interpreted by our local newspapers, how utterly false they are, what my business associations and reputation have been, and the irreparable economic, social, and personal harm that I have sustained.

On page 56 of the transcript, Mr. Sullivan testified as follows:

"Max Marmorstein is a hotel operator from Cleveland, Ohio. He maintains his office in the Ninth and Chester Building in Cleveland, Ohio, and his telephones were taken out of the office in 1943 because they were connected with gambling operation. That building is the headquarters of the Empire News Service controlled by Mussy Wexler."

On page 57 he further testified as follows:

"Subsequent to 1941 Otto Lorentzen, a nephew of John Angersola, John Cardone, another relative of John Angersola, Abe Allenber, Max Harmorstein, John Angersola, and a brother, Fred Angersola, and Anthony Carfano were set out as being partners in the operation of that hotel. Carfano himself signed correspondence from the hotel as managing director. The hotel thereafter became a meeting place for well-known racketeers and gangsters from all over the country."

Obviously based on that testimony the printed interim report of your committee, No. 2370, lists my name on one of the charts in a box under "Wofford Hotel," which is connected with a smaller box, captioned "Erickson Agents." The Cleveland Plain Dealer, on August 20, reported on this information as follows:

"Max Marmorstein, Otto Lorentzen, and John Cardone all listed with John Angersola as gambling agents for Erickson in the Wofford Hotel."

The above testimony and interpretation of it are utterly false. I have been engaged in the real-estate business, specializing in hotels, for about 30 years. During that period I have represented many important individuals, corporations, and banks who were interested in hotels and, in several instances, I was consulted by representatives of the United States Government to advise it on hotel operation, the last one involving a tax difficulty with the Commodore Perry Hotel in Todedo.

One of the companies that I have represented for about 30 years is Albert Pick Co., which at one time was interested in 82 hotels, including the Mayflower at Washington, the Roosevelt at New York, the Book-Cadillac at Detroit, and many others. Since 1922 I have been retained by that company, and by the banks which once controlled it, as a consultant on their hotel operations.

The above are only a few of the hotel operators whom I have represented and advised. I shall be glad to furnish the committee with the names of many others. I have also built many hotels, and during the past 10 years I built approximately 800 houses under FHA regulations.

Because of my reputation as an expert in hotel operation John King phoned me from Miami Beach in January 1941 and asked me to advise him about some problems he had with the Wofford Hotel and also with the Raleigh Hotel, then nearing completion. I met him in Florida in February 1941 and I undertook to supervise the operation of the hotels until the various problems were ironed out. This took several months, at the end of which I withdrew from all further participation in them. My services consisted entirely of acting as adviser and consultant about the management of the property, for which I received a modest fee.

The testimony that I was a partner with Cardone and others in the hotels is untrue. I was never a partner with anyone in the hotels and I never even met Cardone. The innuendo that I was an "Erickson agent" is completely without foundation. During the time I was rendering services for the Wofford neither Erickson nor any of the others named by Mr. Sullivan had an office there, no one ever mentioned Erickson's name to me and I never met him.

The testimony that my telephone was taken out of my office in the Ninth and Chester Building in 1943 because they were connected with gambling operations was not only fantastically false but utterly irresponsible and reckless because the most superficial investigation would have disclosed its falsity. I did not move into the Ninth and Chester Building until January 1, 1945. My telephones were never disconnected in any office. My best recollection is that Empire News Service was a tenant in the building when I took over its management in January 1945, and it has continued as a tenant, occupying a small office of approximately 225 square feet of space since that time—so far as I knew there was no valid reason to require it to leave the building. The tenants in the building included representatives of a number of high-grade firms as well as several agencies of the Federal Government, which agencies occupy about 12,000 square feet of space in the building.

These false charges and innuendos have not only seriously damaged my character and reputation, caused deep humiliation to me and my family, subjected us to social ostracism, but caused specific economic losses in several respects which I shall be glad to disclose to the committee. Much of this damage can no longer be undone but, in the name of fair play, the committee should do everything within its power to repair this injury as far as that can be done.

I trust with this explanation you will be able to correct your records and the transcript of the testimony to accord with these facts. Please be assured that I shall be glad to supply you with any further information concerning me or my activities which you may care to have.

Thanking you in advance for your interest, I am

Respectfully yours,

MAX MARMORSTEIN.

EXHIBIT No. 74

AUGUST 18, 1950.

GEORGE GUGEL,

Chief of Police, Newport, Ky.

DEAR CHIEF GUGEL: The records of the hearings before the subcommittee of the Senate Interstate and Foreign Commerce Committee indicate that the Acts Research Service, 617 York Street, Newport, Ky., is operating a news service business with the following subscribers in Newport, Ky.:

W. Abel, 941 Monmouth.	A. Faith, northeast corner Fifth and Saratoga.
I. Algie, Ninth and Brighton.	F. Fitzwater, northeast corner Robbins and Greenup.
P. Bersch, southeast corner, Fifth and Patterson.	R. Fogel, 519 Monmouth Street.
J. Albrand, Seventh and Saratoga.	J. Heiber, northeast corner Eleventh and Central.
I. Algie, 624 Monmouth.	H. Heineman, 330 Central Avenue.
S. Bohn, 313 York Street.	A. Faith, northeast corner Southgate and York.
I. Algie, Eighth and Central.	J. Ferris, 914 Saratoga.
P. Bersch, 414 West Sixth Street.	H. Fogel, southeast corner Fourth and York.
G. Baliney, northeast corner Seventh and Columbia.	J. Hyman, 610 York Street.
F. Brock, southwest corner Ninth and Saratoga.	C. Franklin, southwest corner Sixth and Saratoga.
R. Cinciolla, southwest corner Fourth and Monmouth.	J. Greefer, 317 East Sixth.
D. Coletta, southwest corner, Seventh and Washington.	J. Heiber, Tenth and Boone Streets.
R. Cottingham, 333 Central.	H. Hohmeister, southeast corner Seventh and Monmouth.
C. Chalk, northwest corner Tenth and Monmouth.	J. Hyams, 410 York Street.
A. Collins, northwest corner Ninth and Monmouth.	J. Hyams, 12 East Tenth Street.
F. Dore, 746 Central Avenue.	M. Kalb, northeast corner Ninth and Dayton.
A. Bryant, 924 Monmouth.	J. Fahney, northeast corner Twelfth and Brighton.
R. Chalk, northwest corner Eighth and Columbia.	R. Fogel, 26 West Fifth.
E. Creutz, 1007 Monmouth.	C. Franklin, 725 Monmouth.
W. Dennert, northwest corner Fourth and Columbia.	J. Heiber, 204½ West Eleventh Street.

EXHIBIT No. 74—Continued

J. Huck, 217 East Eighth Street.	S. Salem, southeast corner Sixth and Saratoga.
S. Salem, 610 Monmouth Street.	W. Schoepf, 835 Monmouth Street.
H. Katiff, 410 East Sixth Street.	G. Schulz, 326 West Tenth.
L. Levinson, 635 York Street.	S. Reidenger, southwest corner Eighth and Washington.
B. Lackey, 1041 Monmouth.	W. Roll, Elm and Patterson.
B. Lassoff, southeast corner Fourth and York.	M. Ryan, 518 York Street.
J. Kinsella, southeast corner Eleventh and Brighton.	S. Sanders, 8 East Third Street.
L. Levinson, 633 York Street.	E. Sarsfield, southeast corner Third and York.
S. Rafalo, 528 Monmouth Street.	W. Schoepf, 130 East Ninth Street.
S. Salem, 610 Monmouth Street.	C. Schrorer, 392 Columbia.
W. Schoepf, southeast corner Tenth and Saratoga.	J. Stapleton, Eleventh and Central.
L. Nier, 15 East Fourth Street.	J. Sharbell, 3385 York Street.
C. Peters, northeast corner Seventh and Roberts.	J. Stapleton, northeast corner Third and York.
S. Polinsky, 20 West Fourth Street.	S. Silverstein, 705 Dayton Street.
D. Reidenger, northeast corner Third and Saratoga.	B. Spaulding, southeast corner Ninth and Patterson.

It would appear that the above persons are undoubtedly engaged in the operation of making book on horse races which, presumably, is contrary to the laws of the State of Kentucky. I would appreciate it if you would furnish the Special Committee To Investigate Organized Crime in Interstate Commerce with all information you have or may be able to develop regarding the owners and operators of the Ace Research Service, the activities in which the above-listed persons are engaged, and the efforts being made by the police department to investigate the activities of these people to determine the nature of their operations, as well as any other pertinent information.

Sincerely,

GEORGE S. ROBINSON, *Associate Counsel.*

EXHIBIT No. 75

CONSOLIDATED DAILY REPORT

POLICE DEPARTMENT

CITY OF NEWPORT, KENTUCKY

For 24 Hours Ending 12 Midnight YEAR OF 1950 19

NUMBER OF OFFENSES KNOWN TO THE POLICE (Includes on View Arrests)				UNIFORM CLASSIFICATION OF OFFENSES	PERSONS CHARGED (Includes Arrests, Summons, and Notices)			
Past 24 Hours	This Month to Date	Last Month to Date	Same Month Last Year to Date	PART I CLASSES	Past 24 Hours	This Month to Date	Last Month to Date	Same Month Last Year to Date
CRIMES		CASES CLEARED		1. Criminal Homicide: (a) Murder and Nonnegligent Manslaughter				
6		6		(b) Manslaughter by Negligence				
2		2		2. Rape				
0		0		3. Robbery				
11		5		4. Aggravated Assault				
9		9		5. Burglary—Breaking &/or Entering				
90		27		6. Grand Larceny—Theft (except Auto Theft)				
46		27		7. Petit Larceny				
126		26		8. Auto Theft				
24		11		Total, Part I Classes				
314		115		PART II CLASSES				
				9. Other Assaults				
				10. Forgery and Counterfeiting				
				11. Embezzlement and Fraud				
				12. Stolen Property: Buying, Re- ceiving, Possessing				
				13. Weapons; Carrying, Possess- ing, etc.				
				14. Prostitution and Commercial- ized Vice				
				15. Sex Offenses (Except 2 and 14)				
				16. Offenses Against the Family and Children				
				17. Narcotic Drug Laws				
				18. Liquor Laws				
				19. Drunkenness				
				20. Disorderly Conduct				
				21. Vagrancy				
				22. Gambling				
				23. Driving while Intoxicated				
				24. Violation of Road and Driving Laws				
				25. Parking Violation				
				26. Traffic and Motor Vehicle Laws (Except 23-25).				
				27. All Other Offenses				
				28. Suspicion or Held for Investiga- tion				
				Total, Part II Classes				
				GRAND TOTAL				

TRAFFIC ANALYSIS			
Persons Charged	Past 24 Hours	Month to Date	Same Mo Last Yr. to Date
1. Speeding			
2. Reckless Driving			
3. Illegal Parking			
4. Improper or Defect. Lights and Brakes			
5. Non-Observance Light or Sign			
6. Improper Registra- tion or License			
7. Violation by Pedestrians			
8. All Other Violations			
9. Total			
Traffic Accidents Total No.			
Injuries In			
Deaths In			

EXHIBIT No. 75—Continued

PERSONNEL REPORT	Total	Chief's Office	Bureau of Identification	Uniformed Force	Detective Bureau	Traffic Bureau	Records Bureau	First Relief	Second Relief	Third Relief
Numerical Strength										
Total Absent										
Temporary Details										
Effective Strength										
CAUSE OF ABSENCE:										
1. Sick										
2. Injured										
3. Vacation										
4. Day Off										
5. Leave										
6. Suspended										
7. A. W. O. L.										

(Standard Form of the Committee on Uniform Crime Records of the International Association of Chiefs of Police)
(Copies available at Federal Bureau of Investigation, Washington, D. C.)

CONSOLIDATED MONTHLY REPORT

POLICE DEPARTMENT

City of NEWPORT, KENTUCKYMonth of YEAR OF, 1950

TABLE 1.—DISTRIBUTION OF PERSONNEL

	NUMERICAL STRENGTH		AVERAGE DAILY ABSENCE		PERCENT DAILY ABSENCE		AVERAGE DAILY TEMPORARY DETAILS		AVERAGE EFFECTIVE STRENGTH		
	End of this month	Same month last year	This month	Same month last year	This month	Same month last year	This month	Same month last year	This month	Last month	Same month last year
Total personnel	46										
Chief's office	2										
Records bureau	0										
Uniformed force	27										
Detective bureau	6										
Traffic bureau	7										
Identification	1										
Turnkeys	3										
First relief	10										
Second relief	10										
Third relief	10										

TABLE 2.—CHANGES IN PERSONNEL

1. Present for duty end of last month	
2. Recruited during month	
3. Reinstated during month	
Total to account for	
4. Separations from the service:	
(a) Voluntary resignation	
(b) Retirement on pension	
(c) Resigned with charges pending	
(d) Dropped during probation	
(e) Dismissed for cause	
(f) Killed in line of duty	
(g) Deceased	
Total separations	
5. Present for duty at end of month	

TABLE 3.—DAILY AVERAGE PATROL STRENGTH

	This month	Same month last year
1. Total number of patrolmen		
2. Less permanent assignments (public offices, clerical, chauffeurs, etc.)		
3. Less details to special squads or bureaus (traffic, vice, park, etc.)		
4. Average daily absences of patrolmen assigned to patrol duty owing to:		
(a) Vacation, suspension, rest days, etc.		
(b) Sick and injured		
(c) Temporary details		
Total average daily absences		
5. Available for patrol duty		

EXHIBIT No. 75—Continued

TABLE 4.—NUMBER AND DISPOSITION OF OFFENSES KNOWN TO THE POLICE

UNIFORM CLASSIFICATION OF OFFENSES	OFFENSES KNOWN TO THE POLICE					PERCENT OF OFFENSES CLEARED BY ARREST (Includes exceptional clearances)		
	Reported or known this month	Unfounded	Actual offenses this month	Actual this year to date	Actual last year to date	This month*	This year to date	Last year to date
PART I CLASSES								
1. Criminal homicide:								
(a) Murder and nonnegli- gent manslaughter				6	5	100	100	
(b) Manslaughter by negligence				2	2	100	100	
2. Rape				0	2	0	100	
3. Robbery				9	11	46	73	
4. Aggravated assault				11	12	100	100	
5. Burglary—breaking and/or entering				90	117	30	57	
6. Larceny—theft (except auto theft):				46	73	59	51	
(a) \$50 and over in value				126	169	21	15	
(b) Under \$50 in value				24	46	45	22	
7. Auto theft								
Total, Part I Classes				314	437	28	38	

*Includes offenses reported not cleared other months, cleared this month.

TABLE 5.—VALUE OF PROPERTY STOLEN AND RECOVERED
(Automobiles not included)

	This month	Last month	This year to date	Last year to date
1. Total value property reported stolen			23905.00	23025.94
2. Total value stolen property recovered			7319.74	9545.36
(a) Recovered through property identification records			1355.00	0
(b) Recovered by police officers			5964.74	9545.36
(c) Recovered by other jurisdictions			0	0
(d) Recovered otherwise			0	0
3. Percent of stolen property recovered			30.6	41
4. Value of property recovered for other jurisdictions			467.50	2842.00

TABLE 6.—AUTO THEFTS AND RECOVERIES

	This month	Last month	This year to date	Last year to date
1. Number automobiles reported stolen in city			24	46
2. Total recovered (stolen in city)			22	41
(a) Recovered by auto squad			0	0
(b) Recovered by other police officers			11	19
(c) Recovered by other jurisdictions			11	22
(d) Recovered otherwise			0	0
3. Percent of stolen cars recovered			91.6	89.1
4. Automobiles recovered for other jurisdictions			22-Val	23-Val
			\$24,750.00	\$27,950.00

EXHIBIT No. 75—Continued

TABLE 7.—ANALYSIS OF PERSONS CHARGED BY THE POLICE

UNIFORM CLASSIFICATION OF OFFENSES	Released by police (no formal charge)	PERSONS CHARGED THIS MONTH			FOUND GUILTY THIS MONTH		PERCENT FOUND GUILTY	
		Arrested	Summoned or notified	Total	Of offense charged	Of lesser offense	This year to date	Last year to date
PART I CLASSES		1950			1950			
1. Criminal homicide:								
(a) Murder and nonnegli- gent manslaughter.		8			0			
(b) Manslaughter by negligence.		2			0			
2. Rape.		0			0			
3. Robbery.		10			10			
4. Aggravated assault.		11			8			
5. Burglary—breaking and/or entering.		33			33			
6. Larceny— theft(except auto theft):								
(a) \$50 and over in value.		29			17			
(b) Under \$50 in value.		24			22			
7. Auto theft.		14			5			
Total, Part I Classes.		131			95			
PART II CLASSES								
8. Other assaults.		37			28			
9. Forgery and counterfeiting.		17			11			
10. Embezzlement and fraud.		22			16			
11. Stolen property—buying, receiving, possessing.		4			4			
12. Weapons—carrying, pos- sessing, etc.		22			15			
13. Prostitution and commer- cialized vice.		44			44			
14. Sex offenses (except 2 and 13).		5			2			
15. Offenses against the family and children.		41			32			
16. Narcotic drug laws.		0			0			
17. Liquor laws.		1			1			
18. Drunkenness.		0			0			
19. Disorderly conduct.		762			738			
20. Vagrancy.		31			28			
21. Gambling.		57			41			
22. Driving while intoxicated.		16			16			
23. Violation of road and driv- ing laws.		531			518			
24. Parking violations.		1			1			
25. Traffic and motor vehicle laws (except 22-24).		99			96			
26. All other offenses.		47			47			
27. Suspicion or held for inves- tigation.		0			0			
Total, Part II Classes.		1737			1638			
GRAND TOTAL.		1868			1733			

EXHIBIT No. 75—Continued

TABLE 8.—ANALYSIS OF TRAFFIC ACCIDENTS

CLASSIFICATION OF THE NATIONAL SAFETY COUNCIL	NUMBER OF INJURY ACCIDENTS			NUMBER KILLED (All ages)			NUMBER INJURED (All ages)			NUMBER ACCIDENTS (Property damage only)		
	This month	This year to date	Last year to date	This month	This year to date	Last year to date	This month	This year to date	Last year to date	This month	This year to date	Last year to date
A. Motor vehicle acci- dents—total.....												
1. M. V. with pedestrian.....												
2. M. V. with motor vehicle.....												
3. M. V. with K. R. train.....												
4. M. V. with electric car.....												
5. M. V. with bicycle.....												
6. M. V. with horse vehicle.....												
7. M. V. with fixed object.....												
8. Noncollision operating accidents.....												
9. Other M. V. accidents.....												
B. Public accidents—total (not with M. V.).....												
10. R. R. accident.....												
11. Electric car.....												
12. Other vehicle.....												
13. Airplane.....												
14. Other public accidents.....												

TABLE 9.—MISCELLANEOUS SERVICES AND INCIDENTS

	This month	This year to date	Last year to date		This month	This year to date	Last year to date
1. Lodgers cared for.....				10. Arrests for other jurisdictions.....			
2. Persons assisted.....				11. Insanity cases handled.....			
3. Doors found open and reported.....				12. Suicide cases investigated.....			
4. Persons reported missing.....				13. Sudden deaths investigated.....			
5. Persons missing, found.....				14. Wagon service runs.....			
6. Fires discovered.....				15. Ambulance runs.....			
7. Lamp outages reported.....				16. Licenses issued.....			
8. Noncriminal complaints investi- gated.....				17. Reports made of conditions af- fecting other departments.....			
9. Nonvehicular accidents.....							

EXHIBIT No. 76

FEBRUARY 14, 1950.

Mr. GEORGE GUGEL,

Chief of Police, Newport Ky.

DEAR SIR: As you doubtless know, appeals have been filed in the quarterly court which concern the assessment of certain real and personal property in the city of Newport. Some of these taxpayers are asking for a value on their personal property far below that for which it has been assessed by our assessor and approved by the board of equalization. The difference in values is so marked that I am at a loss to understand it.

You are directed, therefore, to have officers of your department prepare to visit the addresses below, upon my further orders, which will be forthcoming. These are public places, and you shall make a complete inventory of all personal property on the premises subject to taxation. This will include all furnishings, fixtures, equipment, and a fair estimate of the stock in trade, but is not to include any of the real estate.

This information is necessary to prepare for trial of these appeals, and it is suggested that the visits be made while the business is in operation, so that the detectives can be prepared to testify to the use to which this equipment is being put. This use will have an important bearing on the ultimate value to be placed by the quarterly court. I desire these visits made at the following places: 633-37 York Street, 928 Monmouth Street, 2124 Monmouth Street.

I will appreciate your cooperation in this matter, so that these cases can be prepared by the legal department.

Respectfully,

MALCOLM R. RHOADS, *City Manager.*

A true copy. Attest:

[SEAL]

FRED L. McLANE,

City Clerk, City of Newport, Ky.

APRIL 25, 1950.

Mr. GEORGE GUGEL,

Chief of Police, Newport, Ky.

DEAR SIR: It is the express policy of the present city administration that commercialized gambling in the city be terminated at once. It is now ordered that the necessary steps be taken to see that this policy is followed immediately.

Yours truly,

MALCOLM R. RHOADS, *City Manager.*

A true copy. Attest:

[SEAL]

FRED L. McLANE,

City Clerk, City of Newport, Ky.

MAY 3, 1950.

Mr. GEORGE GUGEL,

Chief of Police, City of Newport, Ky.

DEAR SIR: It has come to my attention by way of the press and calls received in my office that the recent order relative to gambling in Newport has not been completely executed. You are to immediately take the necessary steps to see that this order is complied with in its entirety.

Very truly yours,

MALCOLM R. RHOADS, *City Manager.*

A true copy. Attest:

[SEAL]

FRED L. McLANE,

City Clerk, City of Newport, Ky.

MAY 4, 1950.

Mr. GEORGE GUGEL,
Chief of Police, Newport, Ky.

DEAR SIR: In keeping with our policy of proper police protection for the city of Newport, it is my order that you direct your police to make regular inspection of all cafes and night clubs in the city of Newport, and report your findings weekly to the city manager.

Yours very truly,

MALCOLM R. RHOADS, *City Manager.*

A true copy. Attest:

[SEAL]

FRED L. McLANE,
City Clerk, City of Newport, Ky.

ORDER OF THE CITY MANAGER TO THE POLICE DEPARTMENT OF THE CITY OF
NEWPORT, KY.

During the past 11 months, numerous orders have been directed to the police department, through the chief of police, requiring that the particular efforts of the department be specifically applied in the suppression and ultimate elimination of gambling and prostitution within the city of Newport. While it may be conceded that much improvement is evident, and noticeable, the results obtained after this considerable period of time are not satisfactory.

It is regrettable that the city manager must continually call attention of the department to standing orders to eliminate these nuisances which seem to be apparent to private citizens, but which, it appears, are beyond the vision or reach of duly appointed officers.

As city manager, I am specifically charged with the duty of having the chief and all members of the police department faithfully perform all their duties. However, the police department is only one of the several departments of which I am charged with supervision and control. Too much of my time in the past has been devoted to the police department. Too much has already been said of gambling and prostitution. You must certainly be thoroughly familiar with the desires expressed and policies announced by the board of commissioners and your present city manager.

I am now issuing this formal order with specific instructions, to avoid further repetitive directives to the end that I may devote more time in the supervision of other departments.

Commercialized gambling, prostitution, "bust out joints," illegal trafficking in liquor and juvenile delinquency will not be tolerated in Newport. All members of the police department, if not already familiar therewith, must acquaint themselves with statutory offenses and enforce these laws. The Newport Police Department must be an incorruptible, efficient, energetic law-enforcing agency.

It is suggested that those who are unwilling to lend their full efforts to a sincere enforcement, and those unwilling to carry out those duties indicated in the special oath required of all peace officers, should resign forthwith, for untiring and unrelenting efforts in these directions will be required from now on, and continual surveillance and an energetic performance of duties is the price of continued active service in this department.

The chief of police is the nominal and actual operating head of the department. I will look to and hold him personally accountable and responsible for the proper and efficient management, direction, and control of the department. His orders will be respected and obeyed by all members of the department. If continuing violations are not curbed at once and all appropriate steps taken toward the ultimate eradication of commercialized gambling and prostitution I shall take disciplinary and corrective measures without hesitation.

While it is my intention to hold the chief personally responsible for all the activities or inactivities of the department, I shall sustain him in any disciplinary or corrective actions which he feels necessary in order to place the department in efficient operation.

MALCOLM R. RHOADS,
City Manager, Newport, Ky.

A true copy. Attest:

[SEAL]

FRED L. McLANE,
City Clerk, City of Newport, Ky.

DECEMBER 14, 1950.

Mr. GEORGE GUGEL,
Chief of Police, Newport, Ky.

DEAR SIR: Confirming my verbal order of last evening, you are relieved of your duties as chief of police of the city of Newport effective 7 p. m., December 13, 1950. You are further suspended from the police department, without pay, effective this date, pending a hearing of the charges which I shall file against you, which charges will be heard by the board of commissioners at a time and place to be fixed by such board.

During the time of your suspension, or until further notice, you will perform no official duties, nor will you act in any official capacity. Furthermore, you will account for and turn over to the assistant chief of police, Desmond Tehan, whom I have named as acting chief of police during your suspension, all official records, equipment, material, supplies, contraband material, and all other things now in your possession as chief of police.

Yours very truly,

MALCOLM R. RHOADS, *City Manager.*

A true copy. Attest:
 [SEAL]

FRED L. McLANE,
City Clerk, City of Newport, Ky.

EXHIBIT No. 78

DEPARTMENT OF POLICE—CLEVELAND, OHIO

JULY 12, 1930.

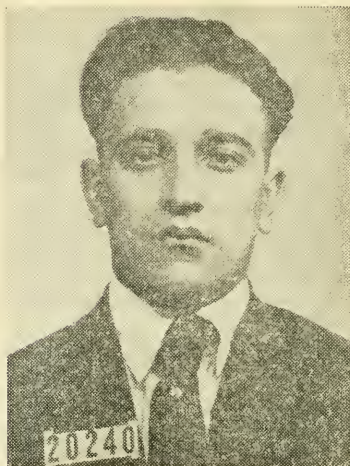
WANTED AS SUSPECTS IN CONNECTION WITH A DOUBLE MURDER



No. 1—Alfred Polizzi, No. 32332, age 31 years, 5 feet 9 $\frac{7}{8}$ inches, 156 pounds, dark complexion, black hair, medium chestnut eyes.

Finger-print classification

1	UIO	-18
1	UIO	-17



No. 2—John Angersola alias John King alias John Demarco, No. 20240, age 33 years, 5 feet 8½ inches, 173 pounds, light complexion, dark chestnut hair, medium chestnut eyes.

Finger-print classification

32 10 -0

32 01 -1

No. 3—Charles Colletto No. 21271 (no photo available) age 30 years, 5 feet 4¾ inches, 132 pounds, light complexion, light chestnut hair, medium blue eyes.

Finger-print classification

32 11 -0

31 01 -1

The above three men are Italian bootleggers and this department is very desirous of having them picked up, detained until officers of this department can arrive to interview them in regards to the shooting and killing of Joe Porelle and Sam Tillcoe in 12601 Mayfield Road, Cleveland, at 2.15 p. m., July 5, 1930.

Kindly cause a thorough search to be made throughout your city and in the event they are picked up, advise at my expense.

JACOB GRAUL,
Chief of Police, Cleveland, Ohio.

EXHIBIT No. 79

DEPARTMENT OF POLICE—CLEVELAND, OHIO

SCIENTIFIC IDENTIFICATION BUREAU

JANUARY 11, 1951.

The following is a transcript of the record, as far as known, including the most recently reported data, as shown in the files of this bureau, concerning Joseph Massei. Cleveland No. P-74349; FBI—. Compiled by Sgt. Robert Blaha.

Contributor.—Police department, Detroit, Mich.

Name and number.—Joseph Massei, circular No. 3402, dated June 27, 1932.

Date.—Received September 1932.

Charge.—Wanted for murder.

Disposition.—Canceled October 1934.

Joseph Massei, indicted by the grand jury for the murder of Milford Jones, shot on June 15, 1932. Indictment is also for Peter Licavoli, alias Peter Moereri, and two unknown men.

JOHN P. SMITH,
Superintendent of Police, Detroit, Mich.

On April 22, 1935, Alfred Polizzi, our No. 32332; Detroit, Mich., No. 49456; was arrested by the Detroit (Mich.) Police Department on a charge of fugitive from Cleveland, Ohio, April 24, 1935. Discharged on writ. Not wanted at Cleveland, Ohio. Associate at time of arrest, Joe Massei.

SUPPLEMENTAL DATA

THE PACIFIC TELEPHONE & TELEGRAPH CO.,
Los Angeles, Calif., February 28, 1951.

Mr. JOSEPH L. NELLIS,

*Assistant Counsel, United States Senate Committee on Organized Crime,
Room 2803, United States Court House, New York, N. Y.*

DEAR SIR: This is in reply to your telegram of February 22 relative to telephone service Crestview 1-2900 and Crestview 1-5387 for the years 1946 to 1950, inclusive.

Our records indicate that telephone service Crestview 1-2900 was in 1945 listed to Anthony Milano at 9451 Sunset Boulevard, Beverly Hills, Calif.

On August 29, 1949, the number was changed to Crestview 1-5387, a non-published number. On April 28, 1948, we were instructed to send the bills for this service to Anthony Milano at 12020 Mayfield Road, Cleveland, Ohio.

On September 29, 1949, the original telephone number for Mr. Milano, Crestview 1-2900, was reassigned to another subscriber, R. L. Patterson at 1122½ South Bedford Street, Los Angeles, Calif., as a nonpublished number. Service is billed to Mr. R. L. Patterson at the same address.

Yours truly,

C. P. PETERS, *Chief Special Agent.*

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